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Israel Frees 51, Ending Impasse On the Hostages

By Jackson Diehl
Washington Post Service

TEL AVIV — Israel broke the impasse in Middle East hostage negotiations on Wednesday, releasing 51 Lebanese prisoners and the bodies of nine others in a step that had been demanded by Lebanese groups as a condition for releasing more Western hostages.

Government officials said the prisoner release, which was negotiated through the United Nations, came after the Hezbollah movement, a Lebanese Shiite organization that is believed to control most of the remaining 10 Western hostages, met an Israeli demand by providing information on two missing Israeli servicemen. One, Rahamin Sheikh, was confirmed dead, officials said.

Both the Israeli and Hezbollah gestures fell short of meeting the complex prerequisites for the general release of Middle Eastern hostages and prisoners that the UN secretary-general, Javier Pérez de Cuéllar, has been trying to arrange.

But Israeli officials said the events might mark a breakthrough that could lead to further exchanges in the coming days.

"This is to us a positive omen," said Uri Lubrani, the coordinator of Lebanese affairs for the Israeli Defense Ministry, speaking at a news conference here. "We hope this is the first of the stages that will bring the hostage situation to a conclusion."

After the release of two Western hostages in Lebanon last month, spokesmen for the hostage-holders and their backers in Iran and Syria said no more could be freed unless Israel released Shiite prisoners it holds. The Islamic Jihad organization said a complete hostage release would require the freeing of thousands of prisoners in Israel as well as some held in Western Europe.

Israel replied that it was willing to release Lebanese prisoners, but only if it first received information on seven of its servicemen missing in Lebanon. All but one of the Israelis, Ron Arad, are believed by Israeli authorities to be dead.

Mr. Lubrani said Israel would be willing to release more of the several hundred Lebanese prisoners it still holds in exchange for more information on the remaining missing servicemen.

"We believe this cannot be done in one shot, and so we take it step by step," he said. "Whenever we have some progress we respond."

Officials said the release on Wednesday had taken place after UN officials had forwarded answers to a list of specific Israeli questions about Mr. Sheikh and Yossi Fink, two Israeli soldiers who were ambushed and abducted by Hezbollah in southern Lebanon in 1986.

Although the information provided by Hezbollah was sufficient to close the case on Mr. Sheikh, some questions about Mr. Fink "were left blank," an official said.

Mr. Lubrani said Israel still regarded Mr. Fink as possibly alive. But officials said Israel's failure to recognize him as dead officially was "a technical problem," caused not by doubts about his fate but by the lack of details required by Jewish religious law. The sources said it was believed that the problem could be cleared up soon by obtaining clarifications from Hezbollah.

Mr. Lubrani hinted that the case of another missing Israeli soldier, Samir Assad, whose remains are held by a leftist Palestinian group, could also be resolved soon. In the past, Israel has negotiated with the group, the Democratic Front for the Liberation of Palestine, on an exchange for Mr. Assad's remains.

Three others of the missing Israelis disappeared in 1982 tank battle in Lebanon between Israeli and Syrian units, and Israel is seeking information on their fate from Syria, officials said.

The remaining Israeli is Mr. Arad, who officials in Tel Aviv describe as the key to an eventual larger bargain between Israel and the hostage-holding groups. Mr. Lubrani restated Israel's position that "we have all the reasons to believe" that Mr. Arad, an Air Force navigator whose plane was downed over Lebanon in February 1986, was alive.

Mr. Lubrani conceded, however, that Israel had not received any new information about Mr. Arad. Israeli officials say their last information about the airman dates from several years ago, when he was said to have been sold by a dissident faction of the Lebanese Shiite militia Amal to a unit of the Iranian Revolutionary Guards stationed in Lebanon.

Israeli officials have repeatedly said that Iran is responsable for Mr. Arad, and have speculated that he might have been transferred from Lebanon to Iran. Mr. Lubrani brushed off denials by Tehran that it had information about Mr. Arad, saying that "there is no confirmed information" about him.

The prisoners released by Israel were held in a prison in the south Lebanese town of Khiam, which lies inside the strip of Lebanese territory that Israel holds along its northern border as a "security zone."

The prison is run by the South Lebanese Army, Israel's client militia in the zone, and most of the prisoners are Shiites arrested for trying to infiltrate the area or for resisting Israeli rule. Mr. Lubrani said last month that there were some 350 Lebanese detainees.

The Israeli Army turned over the bodies of nine Lebanese to the International Red Cross at the Israeli-Lebanese border crossing at Naqoura, on the Mediterranean coast. Israeli officials said the nine were Hezbollah fighters who were killed by the army while trying to stage raids into Israel.

Israel also holds Sheikh Abdul Karim Obeid, a pro-Hezbollah cleric whom it abducted from his home in south Lebanon in July 1989. Iran and its Lebanese allies have frequently cited Sheikh Obeid's release as essential to any general hostage exchange. Israel has said it is willing to free him, but only as part of a final resolution of the problem of its servicemen.

The release conforms with a two-stage proposal for resolving the Middle East hostage problem worked out in talks last month between Israeli officials and Mr. Pérez de Cuéllar in Geneva. According to that plan, Israel would first receive information on its missing servicemen, and in return release some Lebanese prisoners.

In the second stage of the plan, Israel is to receive any remaining living servicemen and the remains of the dead, and all remaining Western hostages are to be released. In exchange, Israel would free the remaining Lebanese in Khiam, Sheikh Obeid, and possibly some Palestinians.

Mike Fisher/Agence France-Presse

A woman holding a picture of her dead son during a demonstration on Wednesday outside a human rights meeting in Moscow. The woman was among a group of people demanding an investigation into reports that a number of young Soviet military conscripts had died under suspicious circumstances.

Moscow to Withdraw Troops From Cuba, Gorbachev Tells U.S.

By Thomas L. Friedman
New York Times Service

MOSCOW — In a bid to remove a major political obstacle blocking American economic aid to the Soviet Union, President Mikhail S. Gorbachev announced Wednesday that his country would shortly begin discussions with Cuba about the withdrawal of the 11,000 Soviet military personnel on the island.

Mr. Gorbachev, who disclosed the decision after a meeting with Secretary of State James A. Baker 3d, also indicated that in the future, Soviet economic ties with Cuba would be put on a strictly free-trade basis, eliminating the $2 billion-a-year subsidy that Moscow has been giving Havana by bartering Soviet oil for Cuban sugar on terms that greatly over-valued the Cuban sugar.

"I reaffirmed to the secretary," Mr. Gorbachev said, "that we plan to transfer our relations with Cuba to a plane of mutually beneficial trade and economic ties and we will remove the other elements of that relationship — elements that were born of a different time in a different era."

"In that context," he said, "I told the secretary that we will soon begin discussions with the Cuban leadership about the withdrawal of a Soviet training brigade, which was stationed in Cuba sometime ago and is still there."

The Soviet decision may hasten radical change for Cuba. Page 2.
Dick Cheney sees no room for further U.S. military cuts. Page 3.

The reference to a "training brigade" appeared to have been Mr. Gorbachev's euphemism for the entire Soviet military presence in Cuba, because when he was asked how many men would be involved in the withdrawal he said 11,000, which is more then the highest State Department estimates for Soviet personnel in Cuba.

In addition, a senior administration official said Mr. Gorbachev had made clear in his discussions with Mr. Baker that the Soviets would be pulling out all of their forces.

The senior administration official said the Soviet leader also left Mr. Baker with the clear impression that in addition to withdrawing all of their military personnel — intelligence officers, advisers and a rifle brigade — the Soviets intended to phase out their arms sales to Cuba, which they have slowed in recent years.

Mr. Gorbachev's initiatives, if carried out, would mark the end of a 30-year military relationship between the Soviet Union and President Fidel Castro. The relationship almost led to nuclear war during

See CUBA, Page 5

Soviets Give EC a Grocery List

Compiled by Our Staff From Dispatches

MOSCOW — The Soviet Union has requested urgent food aid from the European Community, including millions of tons of grain, meat and sugar, an EC Commission statement said Wednesday.

The request was addressed to Jacques Delors, president of the EC Commission. Mr. Delors said Wednesday in Strasbourg that at least $2 billion of food aid was needed to help the Soviet Union.

"It seems to me that the amount must not be less than $2 billion, and this operation should encourage the United States and Japan and Canada to join in," Mr. Delors told the European Parliament. He said if the West did not act, the Russian president, Boris N. Yeltsin, would become as unpopular as President Mikhail S. Gorbachev.

The Soviet request for aid was made in a letter delivered to the EC Commission's vice president, Frans Andriessen, who is currently in Moscow, by the Soviet caretaker prime minister, Ivan S. Silayev.

Attached to the letter was a list of products, including 5.5 million tons of grain, 800,000 tons of meat, 900,000 tons of sugar, plus smaller quantities of 15 other products.

According to Soviet estimates, the aid would have a value of 5 billion to 6 billion Ecus ($6 billion to $7.25 billion).

Mr. Delors said EC aid should be used to buy food from Poland, Hungary and Czechoslovakia to export to the Soviet Union.

In Paris, Foreign Minister Roland Dumas urged the French cabinet to approve emergency aid to the Soviet Union.

"As of January 1992, the Soviet Union will suffer a shortage of food, medicine and heating."

In Washington, Prime Minister Jan Krzysztof Bielecki of Poland urged President George Bush and other Western leaders to abandon any lingering rivalry with the Soviet Union and move swiftly to provide it with humanitarian aid before winter.

"The problem of the Soviet Union must be solved immediately in terms of humanitarian aid," he said, adding that he was appealing to Mr. Bush "because it is our duty," regardless of "the problems of competition between two superpowers." *(Reuters, AFP)*

The New Soviet Economic Realism: Not Too Proud to Beg

By Craig R. Whitney
New York Times Service

MOSCOW — By offering to remove all Soviet troops from Cuba and hinting that the four northern Kuril Islands might after all be returned to Japan, Soviet and Russian leaders have, in effect, abandoned pride and begun begging for Western economic aid for their collapsing economies.

At the London summit meeting when they gathered to hear out President Mikhail S. Gorbachev in July, leaders of the seven most powerful capitalist countries concluded that until leaders in Moscow showed that they were willing to undo the Bolshevik Revolution and institute a market economy, the West should go slow and be cautious.

Now, the Communist Party is outlawed in much

NEWS ANALYSIS

of the Soviet Union, and a plan for a market economy is promised within weeks. Mr. Gorbachev, sharing powerlessness equally with President Boris N. Yeltsin of Russia, seems ready to promise almost anything to keep what remains of the Soviet Union from falling apart.

They have succeeded in increasing pressure on the United States and other Western countries to think seriously about much bigger aid packages than had ever been considered for the Soviet Union before — perhaps something on the scale of the Marshall Plan, which cost the United States alone $6.8 billion dollars in 1948 and 1949, more than 2.5 percent of gross national product at the time.

Mr. Gorbachev did not even seem to ask for a quid pro quo Wednesday when he told Secretary of State James A. Baker 3d that the Soviet Union would withdraw its forces from Cuba, and Mr. Yeltsin told the visiting American that he was poised to begin serious discussions with Japan about the return of the four Kuril Islands that Stalin seized at the very end of World War II.

Since Nikita S. Khrushchev's day, Cuba has been a thorn in the side of the United States, to remind it that it was not the only superpower, even in the Western Hemisphere. But now it is the only one in either hemisphere.

The Soviet Union still looms large, but now, as a problem, much as the exhausted democracies of

See SOVIETS, Page 5

Clifford: An 'Insider' Or a Dupe of BCCI?

The Associated Press

WASHINGTON — Clark M. Clifford and Robert A. Altman used their knowledge of the Bank of Credit & Commerce International to profit in an "insider game" from stock deals and legal fees, the House Banking Committee chairman said Wednesday.

Representative Henry B. Gonzalez, Democrat of Texas, spoke at a hearing on BCCI and its alleged illegal takeover of First American Bankshares Inc.

"As the top officials in First American and as legal counsel for the bank, the Clifford-Altman team was in a unique position to know about BCCI's involvement," Mr. Gonzalez said.

But Mr. Clifford later told the committee: "We have not been guilty of any misconduct, not even any impropriety. We have a formidable task in persuading many of you of our innocence in this."

Referring to a deal in which Mr. Clifford and Mr. Altman allegedly bought stock with loans from BCCI and netted $9.8 million, Mr. Gonzalez said, "These lucrative stock transactions were not the only insider game that profited these gentlemen."

As soon as Mr. Clifford became chairman and Mr. Altman president at First American, "legal business started flowing from the bank to their Washington law firm," the committee chairman said.

Mr. Gonzalez said the amount of the legal fees may have exceeded the profit from the stock deal.

The banking committee is trying to find out whether Mr. Clifford and Mr. Altman, his law partner, misled federal regulators when they said in 1981 that BCCI would not have control of First American, a Washington-based bank holding company.

BCCI — founded by Pakistanis, controlled by Gulf investors and based in Luxembourg — is enmeshed in a banking scandal involving alleged fraud and laundering of drug money.

Mr. Clifford, 84, a former adviser to Democratic presidents, and Mr. Altman, his 44-year-old protégé, resigned from their First American posts in July. But they

See BANK, Page 14

Doug Mills/The Associated Press

Clark Clifford testifying at the House hearing Wednesday.

Mood in Manila Senate: U.S. Offer Is an 'Insult'

By Philip Shenon
New York Times Service

MANILA — The Philippine Senate opened debate Wednesday on a new American lease for the Subic Bay Naval Station and appeared ready to reject the pact and force an American withdrawal from Subic, the largest U.S. military base in Southeast Asia.

Opponents of the new treaty, which would allow the United States to remain at Subic for another 10 years, said the $203-million-a-year compensation package offered by the United States was too low. "Insult" is one word they used.

More important, several senators said, was the need to remove the vestiges of American colonialism from the Philippines, where U.S. forces have been stationed — at times with, at times without the consent of the Philippine people — for most of the last century.

Twelve of the nation's 23 senators, who must ratify treaties for them to become law, are on record opposing the base agreement.

"Because of the American protection and tutelage, we have been reduced to an adolescent nation, growing old in age but not in our ability to guarantee our own survival," Senator Aquilino Q. Pimentel said Wednesday.

Senator Pimentel, a leading opponent of the treaty, said the Philippines would be a stronger, more independent nation without Subic, despite the projected loss of the hundreds of millions of dollars and thousands of jobs connected to the base.

The pact also calls for an American withdrawal from Clark Air Base, which, like Subic, is on the central Philippine island of Luzon.

The United States has said it will pull out completely from Clark, which was smothered by volcanic ash last June in the eruption of Mount Pinatubo, with or without ratification of the treaty.

The Senate vote, expected sometime before the current lease agreement for Subic expires Monday, would not necessarily be the last word on the future of Subic, which serves as a major supply and repair station for the United States 7th Fleet and is home base for nearly 8,000 American troops and civilian workers.

There is still the belief among

See BASES, Page 5

Kiosk

Italian Troops to Aid in Albania

ROME (AP) — More than 750 Italian soldiers will go to Albania as part of a three-month aid operation to feed people in Europe's poorest state and keep them from fleeing to Italy, Italy's defense minister said Wednesday. Italy expelled more than 20,000 Albanians involved in an exodus in August.

The sending of the 774 unarmed soldiers will mark the first time Italian military units have set foot on Albanian soil since Italy occupied its neighbor across the Adriatic shortly before World War II. The operation is expected to start later this month.

General News

First impressions of Judge Thomas were crucial at his hearing, and he deflected prodding on abortion. Page 2.

The Dollar *In New York*

DM	1.6885
Pound	1.734
Yen	134.72
FF	5.7435

Dow Close
Up 4.47
2,987.03

Booked

Mike Tyson, the former heavyweight champion, was booked and freed on bail on charges that he raped an 18-year-old beauty contest contender. His trial is set for Jan. 27. "I didn't hurt no one," he said in Indianapolis after posing for an official police photo. Page 19.

Crossword Page 8.
Weather Page 2.

Next Soviet President? Mayor Is Too Big for St. Petersburg

By Bill Keller
New York Times Service

MOSCOW — Anatoli A. Sobchak paced an office across from the Kremlin, his impatience crackling like static electricity. He had a head cold, a waiting room filled with restive visitors and an annoying sense that his country was dribbling toward oblivion.

"We are losing days and weeks," Mr. Sobchak fumed. "Sure, we won a great victory, but if this keeps up we just might lose the country."

Lawyer, legislator, mayor of St. Petersburg and hero of the August coup, Mr. Sobchak has now assumed the role of the Soviet Union's Cassandra-in-chief, warning fervently that "transition" is quickly congealing into paralysis, that the spreading "independence" is dividing the country into neighboring bunkers.

"The country today is in fact out of control, because the old structures have been destroyed and the new ones have not emerged," he said Tuesday. "Each day of delay is extremely dangerous. Dangerous because the economic situation gets worse by the day. Dangerous because the country has no specific program."

In Mr. Sobchak's gloomy appraisal, the new State Council, made up of President Mikhail S. Gorbachev and presidents of the republics and assigned to rescue the country from disintegration, was immobilized from birth by overwork and lack of economic expertise.

The Soviet leadership was frittering away the day being host to a legion of European dignitaries. The headstrong republics, having asserted their sovereignty, were basking in it rather than weaving a new confederation to weather the coming winter.

"It is a very dangerous situation when no one is in charge," he said. "Every day of delay in forming these new central structures is costing the country heavily."

Even before the three-day August coup upended the Soviet order, it was conventional wisdom that the City Hall of Leningrad, as St. Petersburg was known before its prerevolutionary name was restored last week, was too small to contain for long the talent and ambition of Mr. Sobchak.

He ranks alongside Mr. Gorbachev and President Boris N. Yeltsin of the Russian Republic in the narrow field of politicians with countrywide standing. His status was enhanced by his show of cool determination during the coup, when he faced down his city's military commander and prevented troops from rolling into the city.

Now Mr. Sobchak is touted as a leading candidate to lead a recast Soviet parliament, or as a possible successor to Mr. Gorbachev as president of whatever supplants the old Soviet Union.

Mr. Sobchak dismisses speculation about his future, without narrowing the scope of his activities. During a visit to Moscow, he obliged a delegation of visiting foreign ministers from Scandinavia, popped in for a consultation with Mr. Gorbachev, took time for a short interview and heard out a colleague who wants him to head a new political party, before finally heading home to St. Petersburg.

As mayor, Mr. Sobchak has just had his fears about the dismembering of the union and the vacuum of central authority confirmed by an impasse with the newly independent Ukraine.

In an attempt to secure his city against a winter of privation, Mr. Sobchak has been busily negotiating barter deals between St. Petersburg industrial factories and suppliers in other republics.

Now, he said, the Ukraine has invalidated such contracts with Ukrainian suppliers until they have

See SOBCHAK, Page 5

Opposition Unites in a Call for Ouster of Georgian

Compiled by Our Staff From Dispatches

TBILISI, U.S.S.R. — Nearly 30 opposition groups united in Georgia on Wednesday to demand the resignation of the republic's nationalist president, Zviad K. Gamsakhurdia.

Several hundred demonstrators massed for the 10th consecutive day on barricaded Rustaveli Avenue to demand that Mr. Gamsakhurdia quit — four months after he was elected by a landslide in a groundswell of nationalist sentiment.

Mr. Gamsakhurdia was quoted as saying that he could not rule out the use of force to dislodge demonstrators and their rudimentary barricades.

Leaders of groups ranging from social democrats to monarchists and anarchists pooled their forces after talks in Tbilisi.

They said they were joined by 11 members of the Georgian parliament who had previously backed Mr. Gamsakhurdia, a former dissident.

"We agreed on a united platform and have one unified demand — that is the resignation of Gamsakhurdia," said Georgi Chanturia, leader of the National Democratic Party of Georgia.

Members of Georgia's National Guard, created by Mr. Gamsakhurdia after his election, defied his order to return to barracks and remained on the outskirts of Tbilisi.

But there was no sign of any mass military movement in or around the city.

Up to 15,000 demonstrators have been gathering in Tbilisi every evening for a week.

Mr. Gamsakhurdia has labeled his critics bandits and enemies of Georgia steered by Kremlin agents, including the former Soviet foreign minister, Eduard A. Shevardnadze, himself a Georgian.

On Monday Mr. Gamsakhurdia ordered the troops to go to their barracks and await instructions.

Part of the guard obeyed and part stayed with the commander in chief, a journalist at the Georgian press agency Gruzinform said.

He said no one knew how many guardsmen were in each group. The guard, formed earlier this year, has about 4,000 members.

Mr. Gamsakhurdia was elected president in May and pledged to try to make Georgia's April 9 independence declaration a reality.

His critics say he has suppressed opposition and the many ethnic minorities in the republic.

They also accuse him of obeying the orders of plotters who tried to topple Mikhail S. Gorbachev last month.

The crisis erupted when troops loyal to Mr. Gamsakhurdia used force to break up a demonstration in front of the parliament building on Sept. 2. About 20 people were hurt.

In Moscow, about 30 women from the South Ossetia region of Georgia demonstrated at a human rights forum of the Conference on Security and Cooperation in Europe, saying Georgians were slaughtering their people.

Ossetia, spanning Georgia's border with Russia, was divided into two in the 1920s.

It has been the scene of violent ethnic clashes since Mr. Gamsakhurdia revoked South Ossetian's partly autonomous status this year. *(Reuters, AFP)*

■ **Pullout in Baltics Delayed**

Moscow has informed Latvia that it will not withdraw its troops from the Baltic countries until after the completion of the Soviet pullout from Germany in 1994, Reuters reported from Riga, quoting a Latvian official.

The new Soviet defense minister, Yevgeni I. Shaposhnikov, made the statement to Latvian officials in Moscow on Tuesday, according to Talavs Jundzis, head of the Latvian parliament's defense committee.

Mr. Jundzis said at a news conference in Riga: "General Shaposhnikov mentioned that the withdrawal, from his point of view, of the army from the territory of the Baltic states, could take place only after 1994, when all the questions concerning the withdrawal from Eastern Europe will be finished."

Moscow has agreed to pull its troops out of the former East Germany by 1994.

Mr. Jundzis said that the defense minister's objections to any earlier withdrawal from the former Soviet republics of Lithuania, Latvia and Estonia were not so much for security reasons but because of difficulties in housing the returning soldiers.

He said the government in Riga wanted Soviet troops out of Latvia as soon as possible but had not yet made a firm counter-proposal to the Kremlin.

Latvian officials have spoken of a one- or two-year time span for the withdrawal.

The Moldavian parliament, opening its autumn session this week, also called for the withdrawal of Soviet troops from the republic, Agence France-Presse reported from the capital, Kishinev.

The Associated Press

Guardsmen loyal to President Zviad K. Gamsakhurdia protecting the entrance to House of Government in Tbilisi on Wednesday.

Croatia Strikes Back at Serbia With Oil Weapon

By John Tagliabue
New York Times Service

ZAGREB, Yugoslavia — Army-backed Serbian rebels continued attacks on Croatia on Wednesday, and the besieged republic struck back with a previously unused weapon, shutting down the pipeline through Croatian territory that supplies Serbia with crude oil.

Serbia's deputy prime minister, Branko Kostic, denounced the move as a "pirate-like action," and said that two Serbian refineries, at Novi Sad and Pancevo, near Belgrade, were affected. At a news conference in Belgrade, he said Serbia would raise the issue when a Yugoslav peace conference resumes at The Hague on Thursday.

Mr. Kostic said Serbian oil reserves were adequate, but officials at Pancevo, which supplies the Yugoslav Army's fuel needs, later announced that the refinery was closing. In Belgrade, residents reported long lines at gas stations.

In Zagreb, the Croatian government spokesman, Branko Salaj, denied that Croatia had ordered the pipeline closed. He said the operator, the Croatian-based Naftovod concern, had been forced to close the pipeline after army-backed Serbian guerrillas damaged vital valves in shelling last Friday.

"In view of the shortened supply of oil, the company decided it would have to see to Croatia's needs first," Mr. Salaj said.

The 530-kilometer (330-mile) pipeline carries crude oil from unloading points on the Adriatic Island of Krk along one branch to Czechoslovakia and Hungary, and via another to large Croatian refineries in Rijeka and Sisak, as well as to refineries in the neighboring republics of Bosnia and Serbia. Most of the crudes carried by the pipeline are North African Light oils from Libya and Algeria that Yugoslavia must import to supplement its own fields, mainly in Croatia.

Economists in Zagreb said the Croatian government had considered deploying the oil weapon in the past, but had hesitated to do so for fear of severe reprisals by Serbia. But in recent weeks, the Serbian rebels, backed by the army, have stepped up artillery attacks on Croatia's big refinery at Sisak, south of Zagreb.

Fierce fighting was reported Wednesday from the region around Kostajnica, on Croatia's southern frontier with Bosnia and along the Zagreb-Belgrade highway, where Croatian forces have mounted a counteroffensive to clear the road of Serb guerrillas.

The guerrillas are fighting to wrest Serbian populated areas of Croatia from the republic's separatist government. Hundreds of people have been killed since late June, and a cease-fire brokered by the European Community has failed to stop the fighting.

Round 1: The Crucial First Impressions

By Linda Greenhouse
New York Times Service

WASHINGTON — The tone inside the Senate Caucus Room was elaborately polite, but the opening day of Judge Clarence Thomas's confirmation hearing was a battle — a battle for the all-important initial impression that the public would receive of a nominee, whom many had discussed and read about but few had seen in action in the 10 weeks since President George Bush chose him for the Supreme Court.

At stake was the image that would dominate the rest of the proceedings. Would the senators, and the public, remember the affecting, even inspiring personal story that Judge Thomas, as expected, emphasized at every opportunity?

Or would they find his views those of a conservative activist with odd, even dangerous ideas, which the Democratic senators who questioned him tried to evoke?

From the initial round of questions, it was clear that Judge Thomas would not be permitted to rest on his biography alone. The Democrats had questions for him about his record and his published views that he could not easily deflect.

On the other hand, he came well-armed with assurances and explanations, trying to make it clear that this nominee was no Robert H. Bork, at war with modern consitutional law.

He endorsed a constitutional right to privacy, a concept that Mr. Bork, the failed nominee of four years ago, had denounced as fundamentally illegitimate.

He gave emphatic support to the Supreme Court precedents of the New Deal-era that interred the old concept of a constitutional "right to contract," which the court had invoked earlier in the century to strike down government regulations such as minimum-wage-and-hour laws.

When he was prepared, both in his opening statement and in answer to questions that he had expected, Judge Thomas was disarming. He invoked the names of heroes and heroines of the civil rights movement, reaching out to organizations whose leaderships oppose his nomination.

He was quick to assure the Judiciary Committee that he accepted the notion of a constitutional right to privacy.

Although he refused to say whether that privacy right encompassed a woman's right to choose abortion, he disavowed a comment

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in a 1987 speech that had appeared to endorse the view that a fetus has a "right to life" based on natural law.

His handling on Tuesday of questions about abortion and the much-discussed speech are unlikely to assuage the concerns of abortion rights groups, but they may have served to defuse the issue for the duration of the hearings.

On the other hand, he appeared momentarily thrown off stride when Senator Joseph R. Biden Jr., Democrat of Delaware, who heads the committee, challenged him to explain comments in speeches and articles endorsing natural law as a basis for elevating property rights over government regulation.

Mr. Biden had a twofold strategy: to get the focus of the hearing off race, particularly off the subject of affirmative action and racial preference policies, and to portray Judge Thomas as an "out of the mainstream" follower of academic theorists with unusual ideas.

Judge Thomas, a black who headed the Equal Employment Opportunity Commission for most of the Reagan administration, opposes most forms of affirmative action.

The Senate Democrats have evidently concluded that there is little political profit, and considerable peril, in challenging the nominee on this subject.

If the Democrats needed a reminder of the danger involved, it came from Senator John C. Danforth, Republican of Missouri, as he formally presented his friend and former employee, Judge Thomas, to the committee.

Mr. Danforth said that if support for "race-based preferences" became a litmus test for acceptability for confirmation to the court, not only Judge Thomas but also most of the Senate and the American public would be disqualified.

So Mr. Biden's motive for steering clear of questions of racial policy was evident. But the effort to portray Judge Thomas as an out-of-the mainstream radical had risks of its own, which became clear as the afternoon went on.

One was the inherently arcane nature of the terrain on which the committee chairman chose to challenge the nominee. Natural law, a political philosophy that regards people as having certain basic rights regardless of the legal or constitutional system under which they happen to live, is itself an ambiguous concept.

"There's good natural law and bad natural law," Mr. Biden commented to Judge Thomas. And Stephen Macedo and Richard Epstein, two scholars whose natural law views on private property rights Mr. Biden challenged Judge Thomas to disavow, are hardly household names that taint the nominee by their mere mention.

Another risk to the Democratic strategy is the presence on the committee of Republicans who are willing and able to throw Judge Thomas a rescue line. Senator Orrin G. Hatch of Utah did that effectively late in the afternoon.

An experienced courtroom lawyer, Mr. Hatch examined his friendly witness, eliciting Judge Thomas's fervent assurances that "the constitution is our law" that he viewed himself as bound to enforce "with every fiber of my being" regardless of any personal views or theoretical concerns.

Thomas Deflects Questions on Abortion Views

Compiled by Our Staff From Dispatches

WASHINGTON — Judge Clarence Thomas, the U.S. Supreme Court nominee, refused repeated requests by members of the Senate Judiciary Committee on Wednesday to reveal whether he thinks the constitution protects the right of a woman to have an abortion.

Sparring with Senator Howard M. Metzenbaum, Democrat of Ohio, on the second day of his confirmation hearings, Judge Thomas deflected insistent efforts to have him disclose his views on abortion.

At one point, Mr. Metzenbaum accused him of using his judicial role as a pretext to dodge the abortion issue, while answering questions about other less controversial issues that also could again go before the court.

Mr. Metzenbaum said Judge Thomas, in his initial appearance before the committee on Tuesday, had discussed cases involving the right to privacy, family rights, victim impact statements and limits on death penalty appeals that could go before the court again.

"What I'm saying is, if you were able to respond yesterday to questions" of Senators Strom Thurmond, Republican of South Carolina, Orrin G. Hatch, Republican of Utah, and Joseph R. Biden Jr., Democrat of Delaware, Mr. Metzenbaum asked, "then why, Judge Thomas, can't you tell us about a woman's right to choose?"

Judge Thomas said he had tried to answer other questions without going into the legal judgments.

Mr. Metzenbaum repeatedly asked him if he believed the constitution "protects a woman's right to choose to terminate her pregnancy."

Judge Thomas responded: "I think that to take a position would undermine my ability to be impartial."

A challenge to the 1973 Roe vs. Wade ruling that declared a constitutional right to an abortion could come before the high court within the next two years.

Judge Thomas added, "I believe the Constitution protects the right to privacy."

He said he had no reason "to prejudge the issue," in reference to abortion. *(UPI, AP)*

Terrorist Attacks Kill 14 in South Africa

By David Ottaway
Washington Post Service

JOHANNESBURG — Terrorists armed with AK-47 automatic rifles and grenades carried out hit-and-run attacks on commuters in black townships on Wednesday, killing 14 people and bringing the death toll in three days of violence to about 100.

The African National Congress also reported that an assassination attempt had been made on one of its chief spokesmen and a national executive committee member, Gill Marcus, as she was returning to her home Tuesday night.

The attack on Mrs. Marcus led the ANC to issue a statement, warning: "South Africa stands at the very edge of an abyss. These events threaten to push the whole country over the edge."

The statement reflected a general feeling that the country was threatened with another explosion of bloodletting between the ANC and its main rival, the Inkatha Freedom Party of Chief Mangosuthu Buthelezi, as the two prepare to enter a peace agreement on Saturday.

Leaders from both factions have said they intend to sign the accord despite the current violence, which is regarded as a deliberate attempt by some unknown elements to sabotage efforts to create a peaceful climate in which to begin constitutional negotiations.

An ANC statement said a minibus filled with armed men was parked outside the apartment building where Mrs. Marcus lives when she came home on Tuesday night. A colleague who was with her encountered another man on the sidewalk who pulled a gun and then signaled to those in the minibus to join him. But Mrs. Marcus was able to slip into the building safely.

Throughout Wednesday, heavily armed policemen and army units patrolled the worst-affected townships east and south of Johannesburg, but they proved unable to cope with the kind of surprise hit-and-run tactics that gunmen have been using since the ambush on Sunday in Thokoza township of a march of Inkatha Freedom Party supporters.

That attack left 23 Inkatha supporters dead and 16 seriously wounded and touched off the new round of violence threatening the signing of the peace agreement.

The accords calls for a ban on all dangerous weapons at public rallies, establishes a code of conduct for both the police and all political groups and sets up a mechanism for monitoring their behavior.

At least 14 more people died Wednesday in in the affected townships. Unidentified gunmen opened fire on a busload of 60 morning commuters near Thokoza and threw a grenade inside, killing four and wounding most of the others. At a railway station platform nearby, gunmen sprayed commuters heading for Johannesburg, killing six and wounding many others.

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Mitterrand Seeks Talks On Soviet Arsenal

By Joseph Fitchett
International Herald Tribune

PARIS — Seeking to dispel criticism that French foreign policy is floundering, President François Mitterrand called Wednesday for an urgent meeting of the four nations with nuclear arms in Europe to discuss the Soviet arsenal and offered new French openness to expanding the European Community eastward.

He proposed the intervention of a United Nations buffer force in Yugoslavia, saying for the first time that he expected Slovenia and probably Croatia to become independent eventually.

Western officials reacted skeptically, saying that there seemed little of substance in his proposals likely to offer tangible help in responding to power shifts in the Soviet Union and the slide of Yugoslavia toward civil war.

The most urgent question today, Mr. Mitterrand said at a news conference, "is to preserve our security and, above all, nuclear security."

Beyond seeking to reassure French opinion on this issue, Mr. Mitterrand offered few signs that France might become more accommodating toward its main European partners or with Washington on seeking an overall agreement on new security arrangements for Europe.

On nuclear arms control, he suggested a meeting involving the Soviet Union, the United States, Britain and France to work out new security arrangements for coping with any heightened risk due to crumbling authority in the Soviet Union.

The omission of Germany from the proposed meeting was widely seen as a diplomatic blunder that is liable to antagonize Germans at a point when French politicians are warning against the risk of seeing Bonn become more assertive in pursuing its national interests.

Although Germany has no nuclear weapons of its own, German governments have been increasingly insistent on having their say in decisions about short-range nuclear weapons in Europe. German public opinion views the future role of these nuclear weapons as a key foreign policy objective that touches Germany's freedom of action and perhaps the nation's safety.

Although the United States conducts direct nuclear negotiations with the Soviet Union, there are broad consultations on the issue in the North Atlantic Treaty Organization — including Germany but excluding France.

Mr. Mitterrand indicated that U.S. defense officials had been consulted about the French idea, but U.S. officials, while not rebuffing the idea, said Washington might try to channel the proposal into technical discussions that drew France indirectly into discussing nuclear issues for the first time since General de Gaulle was in power.

German officials, speaking on condition of anonymity, said Bonn would be unhappy about any formula for nuclear negotiations, even on the issue of nuclear safety, that appeared to bypass Germany.

Mr. Mitterrand sought to reassure Germany about France's own short-range nuclear missiles, the Hades, by saying he had decided to build only 30 of the weapons — one-third the number originally planned — and to stockpile their warheads without putting them into service with the French military.

But he appeared to rule out scrapping Hades even if similar U.S. and Soviet missiles are removed from Europe.

In a step likely to be welcomed in Bonn, Mr. Mitterrand appeared to soften French resistance to seeing the EC open up faster to Eastern Europe. France, apparently fearful of seeing its influence in the EC diluted if the 12-nation body tilts toward a region of German influence, has resisted calls to accelerate EC ties with the new democracies.

Similarly, Mr. Mitterrand moved closer to German readiness to side more closely with the Croats in the Yugoslav crisis as Serbian territorial ambitions have become plainer.

If UN forces cannot intervene, Mr. Mitterrand said, the EC should seek to create a peacekeeping force and also create an arbitration panel to help solve the disputes in Yugoslavia and probably elsewhere in the aftermath of the Soviet collapse.

Asked if U.S. policy was likely to interfere with his vision of a larger EC role, Mr. Mitterrand replied: "It already has. So we'll have to talk about it."

Mr. Mitterrand rejected charges that France was blocking any EC movement to forge closer ties with East European democracies — a phrase immediately welcomed by EC officials as a policy change in Paris.

With France under attack for resisting moves to open EC markets to goods, especially food, from Eastern Europe, Mr. Mitterrand defended the French position.

Instead of expanding imports to the EC, he said, Western countries should buy up supplies in Eastern Europe and send them to the Soviet Union to help stave off the threat of hunger there this winter.

But most other EC governments have criticized the French proposal as being only a stopgap measure that would do little to help East European economies develop over the longer run.

WORLD BRIEFS

Greeks and Turks Fail in Paris Talks To Narrow Differences Over Cyprus

PARIS (NYT) — Greek and Turkish leaders failed Wednesday to narrow their differences over the future of Cyprus, raising fears that a United Nations conference to end the 17-year division of the Mediterranean island will not take place as planned later this month.

Greece and Cyprus have said they would only attend such a conference if the four parties to the dispute, including Greek and Turkish Cypriots, showed they were ready to move toward an agreement.

Prime Ministers Constantine Mitsotakis of Greece and Mesut Yilmaz of Turkey were unable to find sufficient common ground after meeting for two and a half hours outside Paris on Wednesday, according to diplomats. In a joint statement, they referred to differences of opinion but said they would continue to take part in discussions sponsored by the UN secretary-general.

The two leaders were in Paris to attend a conference of conservative European leaders. After the meeting, Mr. Mitsotakis said he was less optimistic about chances for an early settlement of the Cyprus conflict, but he declined to explain what the main stumbling blocks were in Wednesday's talks.

UN Destroys Iraqi Chemical Arsenal

UNITED NATIONS, New York (AP) — United Nations experts have finished destroying more than 8,000 Iraqi bombs, shells and rockets designed to be loaded with chemical weapons, UN officials said Wednesday.

A 10-man team, led by Lieutenant Colonel James Knapp of Canada, finished surveying Iraq's Muthanna chemical weapons munition depot, demolishing many weapons on the site and designating storage areas for other weapons that will be destroyed in the future.

"All the destroyed munitions were clearly designed to be used by Iraq as chemical weapons," a UN statement said, "and in some cases had been previously filled with chemical agents and then later drained of their contents."

Plane Explodes on Houston Flight

EAGLE LAKE, Texas (Combined Dispatches) — A twin-engine turboprop commuter plane flying from Laredo to Houston apparently exploded in midair Wednesday, killing all 14 aboard, authorities said.

The plane disappeared from radar at Houston Intercontinental Airport at 10:06 A.M., said Roger Myers, spokesman for the Federal Aviation Administration in Fort Worth. "The aircraft was talking to air traffic control at Houston," he said. "However, there was never any indication given to air traffic that there was a problem."

The plane, a Brazilian-made Embraer Jetlink E-120, was the same kind that crashed near Brunswick, Georgia, in April, killing former Senator John G. Tower of Texas, his daughter Marian and 22 others. *(AP, UPI)*

Polish Bishops Renew Attack on Press

WARSAW (Reuters) — Poland's Roman Catholic bishops on Wednesday accused news organizations of blasphemy and manipulation and said journalists lacked concern for the problems facing the country. They said the press had "lost elementary sensitivity to the most important problems of the nation," in a statement by the episcopate grouping all Poland's bishops that will be read in churches on Sunday.

It was the second time in recent months that the bishops have attacked the press, which has flourished since state censorship ended with the collapse of Communist Party rule two years ago. In June, the bishops said the press encouraged permissiveness and distorted information.

Most Polish newspapers disagreed with the church over a abortion bill that failed to get through parliament earlier this year. The bill would have banned abortion even in cases of rape and incest and proposed jail sentences for doctors performing abortions.

AFL-CIO Blames State in Fatal Fire

WASHINGTON (AP) — The AFL-CIO, in an unusual move, petitioned the federal government on Wednesday to remove job safety and health authority from the state of North Carolina, where 25 workers died last week in a chicken processing-plant fire.

The state "has failed to protect the safety and health of North Carolina workers," the AFL-CIO said in a letter to the Labor Department. The letter asked that jurisdiction for worker safety be returned to the federal Occupational Safety and Health Administration.

For the Record

A court acquitted the husband of Pakistan's former prime minister of charges that he used political influence to put pressure on a state bank to granting a $34 million loan without sufficient collateral, court officials said Tuesday in Karachi. Asif Ali Zardari, the husband of former Prime Minister Benazir Bhutto, still faces trial on kidnapping, extortion and murder charges. *(AP)*

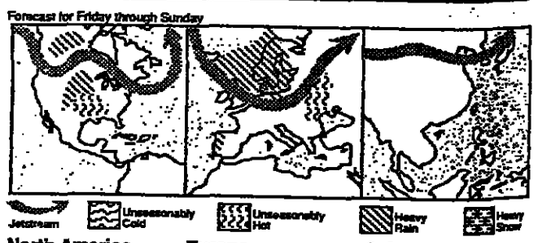
TRAVEL UPDATE

France has decided to pull its unicolored 10 franc piece from circulation. After Sept. 30, only the bicolored 10 franc piece, introduced in 1988, will be accepted as legal tender. The unicolored francs can be exchanged at banks, post offices and Treasury offices until Oct. 31. *(IHT)*

Royal Jordanian Airline may lose six Airbus 310s grounded during the Gulf war because Jordan cannot afford to pay arrears, King Hussein told the European Parliament on Wednesday. Husam Abu Gazaleh, the carrier's president, estimated that the airline lost about $100 million during the Gulf crisis. *(Reuters)*

The Weather

Forecast for Friday through Sunday



North America
Showers will shift from the Great Lakes to the Atlantic Seaboard Friday. Afterward, it will be dry for one or two days from Chicago to New York City. A heat wave will persist through Sunday from Texas to Florida. California will remain dry.

Europe
The remnants of Tropical Storm Claudette will bring rain to Portugal and western Spain, while a fast-moving storm will bring heavy rain to Scotland and Scandinavia Friday through Sunday. London and Paris will have scattered showers.

Asia
A new typhoon — Kinna — may threaten southwestern Japan this weekend. Showers are likely in Tokyo Friday into Saturday; Seoul will be nice with sunshine. A tropical downpour will soak areas such as Hong Kong, Taipei and Manila from time to time.

Europe

	Today High C/F	Today Low Wx C/F	Tomorrow High C/F	Tomorrow Low Wx C/F
Algarve	27/80	18/64 s	26/79	17/62 pc
Amsterdam	19/66	11/52 pc	19/66	11/52 pc
Athens	29/84	18/64 s	28/82	18/61 s
Barcelona	29/84	19/66 s	28/82	17/62 pc
Belgrade	20/68	14/57 sh	22/71	14/57 pc
Berlin	20/68	7/44 c	18/64	8/46 c
Brussels	22/71	11/52 pc	21/70	10/50 pc
Budapest	19/66	8/46 t	19/66	9/48 s
Copenhagen	17/62	6/43 c	15/59	8/46 r
Costa Del Sol	32/89	17/62 s	32/89	18/64 pc
Dublin	17/62	14/57 pc	18/64	13/55 sh
Edinburgh	15/61	7/44 s	17/62	7/44 pc
Florence	27/80	14/57 t	27/80	15/59 pc
Frankfurt	24/75	9/48 pc	22/71	10/50 c
Geneva	24/75	12/53 pc	21/70	12/53 pc
Helsinki	11/52	6/43 r	15/59	7/44 sh
Las Palmas	32/89	18/64 pc	29/84	17/62 pc
Leningrad	14/57	7/44 r	16/61	8/46 sh
Lisbon	28/82	21/70 pc	28/79	18/64 pc
London	20/68	9/48 s	20/68	11/52 pc
Madrid	31/88	15/59 s	30/86	12/53 pc
Milan	24/75	12/53 pc	26/79	11/52 pc
Moscow	19/66	7/44 t	14/57	6/43 pc
Munich	19/66	9/48 pc	18/64	8/46 pc
Nice	25/77	18/64 pc	27/80	18/61 s
Oslo	14/57	9/48 r	12/53	9/48 sh
Paris	23/73	10/50 pc	23/73	11/52 pc
Prague	19/66	7/44 pc	21/70	8/46 pc
Reykjavik	14/57	6/43 pc	14/57	6/43 pc
Rome	27/80	17/62 pc	26/79	14/57 pc
Stockholm	13/55	4/39 pc	12/53	6/43 sh
Strasbourg	24/75	12/53 pc	22/71	11/52 sh
Tallinn	11/52	7/44 r	16/61	8/46 sh
Venice	27/80	13/55 t	27/80	14/57 pc
Vienna	20/68	11/52 t	21/70	11/52 s
Warsaw	19/66	8/46 sh	18/64	9/48 pc
Zurich	23/73	11/52 pc	21/70	9/48 pc

Middle East

Ankara	23/73	8/46 pc	26/79	9/48 pc
Beirut	32/89	22/71 s	32/89	21/70 s
Cairo	32/89	19/66 s	31/88	17/62 s
Damascus	34/93	14/57 s	34/93	15/59 s
Istanbul	24/75	13/55 pc	24/75	12/53 pc
Jerusalem	28/82	13/55 s	29/84	13/55 s
Riyadh	40/104	24/75 s	40/104	25/77 s

Oceania

Auckland	14/57	9/48 sh	12/53	8/46 pc
Sydney	24/75	14/57 sh	25/77	14/57 pc

Asia

	Today High C/F	Today Low Wx C/F	Tomorrow High C/F	Tomorrow Low Wx C/F
Bangkok	33/91	24/75 sh	33/91	25/77 pc
Beijing	33/92	18/64 sh	29/84	19/66 pc
Hong Kong	31/88	24/75 t	31/88	25/77 pc
Manila	32/89	25/77 pc	33/91	25/77 pc
New Delhi	32/89	25/77 pc	32/89	25/77 pc
Seoul	28/82	17/62 sh	29/84	17/62 pc
Shanghai	29/84	20/68 pc	29/84	19/66 pc
Singapore	31/88	24/75 pc	31/88	25/77 pc
Taipei	31/88	24/75 t	31/88	25/77 pc
Tokyo	30/86	23/73 sh	31/88	24/75 pc

Africa

Algiers	38/100	23/73 s	32/89	18/64 pc
Cape Town	17/62	8/46 pc	17/62	9/48 pc
Casablanca	35/95	23/73 s	35/95	23/73 s
Harare	29/84	20/68 s	29/84	20/68 pc
Lagos	29/84	24/75 pc	29/84	24/75 pc
Nairobi	23/73	13/55 pc	24/75	13/55 pc
Tunis	33/91	19/66 s	33/91	19/66 s

Latin America

Buenos Aires	24/75	13/55 pc	24/75	12/55 pc
Caracas	31/88	25/77 pc	31/88	24/75 pc
Lima	17/62	12/53 pc	18/64	12/53 pc
Mexico City	25/77	14/57 t	25/77	14/57 t
Rio de Janeiro	26/79	18/64 pc	28/79	19/66 pc
Santiago	23/73	6/43 pc	22/71	5/41 pc

North America

Anchorage	15/59	10/50 pc	14/57	8/46 pc
Atlanta	32/89	21/70 pc	32/89	20/68 s
Boston	22/71	12/53 s	22/71	13/55 pc
Chicago	24/75	18/64 sh	28/82	16/61 sh
Denver	28/82	11/52 t	26/79	9/48 t
Detroit	24/75	14/57 pc	27/80	15/59 t
Honolulu	31/88	25/77 pc	31/88	25/77 pc
Houston	34/93	23/73 pc	32/89	22/71 pc
Los Angeles	26/79	18/64 pc	27/80	17/62 pc
Miami	32/89	25/79 pc	32/89	24/75 pc
Minneapolis	23/73	15/59 t	25/77	12/53 pc
Montreal	19/66	7/44 s	20/68	8/46 pc
Nassau	32/89	24/75 pc	32/89	24/75 pc
New York	23/73	16/61 s	24/75	16/61 pc
Phoenix	37/98	23/73 s	36/97	23/73 s
San Fran.	23/73	13/55 pc	24/75	14/57 pc
Seattle	23/73	12/53 pc	20/68	11/52 pc
Toronto	22/71	12/53 s	22/71	13/55 t
Washington	27/80	16/61 s	27/80	18/64 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice

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A U.S. Carrier Steams Home - to Japan

By T.R. Reid
Washington Post Service

YOKOSUKA, Japan — With a Japanese Navy band playing "Anchors Aweigh" and a brisk harbor breeze sweeping over the thousands of sailors who lined its enormous flight deck, the aircraft carrier Independence arrived at its new home port here Wednesday, projecting American power deep into the Pacific and saving the Pentagon a bundle of money.

"This mighty ship represents power," declared its commanding officer, Robert L. Ellis Jr., as he stepped down the gangplank and saluted a formidable array of U.S. and Japanese brass on the pier.

The Independence, a mammoth floating airport with 5,300 crew members and 82 warplanes, slipped majestically beneath leaden clouds into the berth long occupied by the Midway, an older carrier that was sent to mothballs last month.

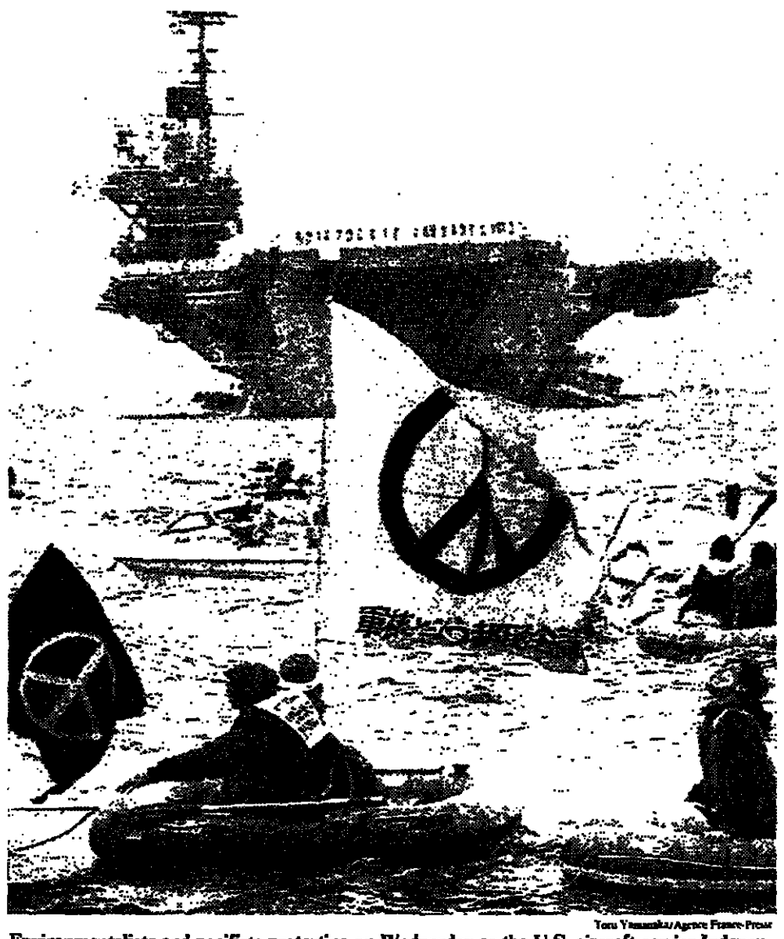
This big naval base, about 40 kilometers (25 miles) south of Tokyo is the only place where an U.S. aircraft carrier has its home port outside the United States.

That kind of commitment to a base in Japan has drawn criticism in Congress from Democrats like Representative Patricia Schroeder of Colorado. "Why do we have to spend all these dollars," Mrs. Schroeder has asked, "to defend a rich country that is an economic competitor?"

But Wednesday, officials from the U.S. Navy and the State Department challenged the premise of that question. They said the United States saved money by basing a carrier squadron in Japan.

"If we're going to have the aircraft carrier Independence somewhere," said Kevin Maher, the military affairs officer at the U.S. Embassy in Tokyo, "there's no question that it's cheaper to keep it in Japan than anywhere else."

"Japan pays for a lot of the expenses we run up in basing a naval ship," he said. "Japan pays for the navy housing, the gym, the community center. Japan has agreed to pay the utility bills. It pays all the labor costs of the Japanese employees on the base, the people who repair the ships and cook the meals and things like that. Those are all costs that our government has to pay at other bases."



Toru Yamanaka/Agence France-Presse

Environmentalists and pacifists protesting on Wednesday as the U.S. aircraft carrier Independence arrived at Yokosuka, Japan. The protesters said the warship was carrying nuclear weapons.

Accord Sought on Israel Aid

Senate and Bush Want Compromise

By John M. Goshko
Washington Post Service

WASHINGTON — President George Bush and Senate leaders have agreed to seek a compromise on Mr. Bush's appeal for a delay in action on Israel's request for $10 billion in loan guarantees.

But the White House continued to resist calls by Israel's supporters for assurances that Mr. Bush promise to support the guarantees after the delay. Proponents of the guarantees suspect that the president plans eventually to use them as a bargaining lever to force Israeli concessions on settlements in occupied Palestinian territories.

Two of the three senators who met with Mr. Bush Tuesday — Daniel K. Inouye, Democrat of Hawaii, and Robert W. Kasten Jr., Republican of Wisconsin — also said they were considering quick introduction of Senate legislation that would give Israel the guarantees without delay. Their goal is to have a bill ready for action if the search for a compromise fails.

The accord with Mr. Bush calls for using the next two to four weeks to find a mutually agreeable approach to the loan guarantees before efforts are made to attach them to defense or foreign-aid appropriations for next year.

Mr. Bush said last week that acting on the Israeli request now would antagonize Arab states and thereby jeopardize U.S. efforts to sponsor a Middle East peace conference in October.

But the president's appeal to Congress to put off for 120 days a vote on the guarantees has stirred heavy resistance from Israel's supporters in Congress and among American Jews. Prime Minister Yitzhak Shamir of Israel has insisted the guarantees are needed urgently to help resettle thousands of Jewish immigrants from the Soviet Union.

Israel's supporters in Congress said that as of Tuesday, from 65 to 80 Democratic and Republican senators appeared ready reject the president's appeal and vote against delay.

Mr. Bush, aware that he faces a potentially losing battle, agreed to consider compromise ideas at a White House meeting with Mr. Inouye, chairman of the Appropriations subcommittee on defense; Senator Patrick J. Leahy, Democrat of Vermont, chairman of the Appropriations subcommittee on foreign operations, and Mr. Kasten, the ranking minority member of the foreign operations subcommittee.

At the meeting, Mr. Bush offered a six-point proposal that he said could serve as the basis for an agreement to delay action on the guarantees until January.

The president offered to provide a "vehicle for action" on the guarantees after 120 days, promised the administration would seek no further delays and restated administration support for the principle of helping Israel absorb the Soviet émigrés.

He also promised U.S. help in soliciting further guarantees from other countries and drafting a formula to minimize the money that Congress would have to set aside as a hedge against Israeli defaults on the loan guarantees. Finally, he said the United States would offset any costs incurred by Israel as a result of the delay.

Lobbyists working on behalf of Israel said the same proposal was made to them by Secretary of State James A. Baker 3d in a meeting Friday and was conveyed to the Shamir government. They said the White House's goal was apparently to gain time to lobby for support in Congress and to see whether Mr. Baker, who plans to visit Israel this week, can persuade Mr. Shamir to go along with Mr. Bush's request.

These sources added, however, that Mr. Bush's proposals were unacceptable in their present form because they say nothing about any link between the guarantees and Israel's program of building settlements in the territories.

For that reason, the sources said, any compromise acceptable to Israel and its supporters must contain a clear-cut commitment that, in exchange for a delay in granting the guarantees, the administration would support expeditious passage and dispensing of the guarantees early next year without conditioning them on the settlements.

Administration officials said Tuesday that Mr. Bush, who has been outspoken in his opposition to the settlements, is reluctant to make such a commitment.

Lithuanians Ask Israelis to Help

Compiled by Our Staff From Dispatches

MOSCOW — Lithuanian lawmakers have invited Israeli legislators to join an investigation into assertions that the newly independent Baltic republic wrongly exonerated Nazi war criminals.

In a statement, the Lithuanian parliament said that it was also ready to cooperate with the U.S. Justice Department, where there have been moves to send Lithuania a list of about 2,000 convicted war criminals to prevent their rehabilitation.

The statement, dated Monday and made public on Tuesday, restated that Lithuanian law specifically prohibits the exoneration of anyone convicted of genocide in Soviet courts.

But it acknowledged that war criminals might have slipped through when Lithuanian prosecutors processed applications by people seeking to clear their records of convictions by Soviet tribunals.

Lithuanian leaders are concerned that the allegations could tarnish their republic's image just as it enters the international community as an independent nation.

Vibmantas Vaicekauskas, the prosecutor in charge of granting rehabilitations, said last week that no one who collaborated with the Nazis in killing 200,000 Lithuanian Jews was knowingly exonerated. He said wrongful rehabilitations would be reversed.

About 35,000 people have been exonerated of Soviet convictions since Lithuania began its drive for independence in 1988.

The Simon Wiesenthal Center, based in Los Angeles, has given Lithuania a list of 13 people it says were wrongly rehabilitated. It said they took part in mass murders from 1941 to 1944, when Lithuania was occupied by Nazi forces.

"Mistakes may have been made," the Lithuanian parliament said, because the republic's chief prosecutor's office "based its conclusions exclusively on material it had at its disposition — material supplied by the Soviet KGB — and irresponsibly relied on it."

The parliament called on Israeli legislators to help Lithuania correct any mistakes made in the rehabilitation process.

"A joint working group of the parliaments of Israel and Lithuania, which would carry out repeated investigation of each questionable case, could make it possible to avoid mistakes concerning rehabilitation and groundless rumors," the statement said. *(AP, Reuters)*

Progress in Kuwait Cleanup

The Associated Press

KUWAIT — The halfway point was reached in repairing Kuwait's devastated oil fields when a seventeen-man Canadian crew capped the 375th sabotaged oil well, an oil company spokesman said Wednesday.

Cheney Sees No More Room For Cuts in Military Spending

By Barton Gellman and R. Jeffrey Smith
Washington Post Service

WASHINGTON — Defense Secretary Dick Cheney says a U.S. military spending program he devised more than a year ago should continue to guide Pentagon budgets into the late 1990s, notwithstanding the Soviet Union's turn away from communism and continuing political dissolution.

Mr. Cheney said the seismic changes tearing at Moscow and the remaining Soviet republics, which President George Bush recently called "an opportunity for a vastly restructured national security posture," had altered none of the basic premises of a long-term plan drafted under his supervision in the spring of 1990.

That plan, which combines the purchase of a new generation of weapons with a reduction in troops, from 2.1 million to 1.6 million, has already capitalized on the opportunity the president was talking about, Mr. Cheney said.

"I think we've got the radical restructuring under way," Mr. Cheney said in an interview Tuesday in his Pentagon office. "It's embodied in the plan that's now pending before the Congress. We've got a program that tries to look six years down the road.

"To ask us to speculate beyond that, based on the events of the past two weeks, is the rankest sort of speculation."

Mr. Cheney's remarks, which elaborated on an Aug. 30 speech, were intended as a counterpoint to a budding movement among Democrats to shift military spending into domestic programs or aid to the Soviets.

The Senate rejected a proposal on Tuesday to transfer $3.1 billion from the Pentagon budget to expand health, education and low-income programs, but signaled that it would support an eventual shift of resources from military to domestic needs.

Among critics, and even some supporters, Mr. Cheney's remarks stepped up questions about his adaptation to rapidly moving world events.

"I don't think he'll be able to hold the line," said Representative William L. Dickinson of Alabama, the senior Republican on the House Armed Services Committee and a key Cheney supporter.

Mr. Dickinson, who said the failed Soviet coup might permit "some dramatic changes" in strategic programs like the B-2 Stealth bomber and the Trident strategic missile submarine, added that in Mr. Cheney's shoes, "I wouldn't give an inch more than I already have" because the liberals in Congress would "decimate me if they had a chance."

As he cast his eye across the global military landscape, from arms control to development of a new generation of U.S. nuclear and conventional weapons, Mr. Cheney consistently returned to an agenda devised before the failed Moscow coup. Not once in an hourlong interview did he identify a military program that might merit reconsideration, saying only that "we review it annually anyway as we put the budget together."

Aides identified three broad thrusts in Mr. Cheney's thinking about future U.S. defense needs.

First, they said, he is determined to protect his fiscal 1992 budget, which takes effect in less than three weeks. Second, he remains genuinely skeptical of the prospects for successful change in the remnants of America's Cold War adversary. Third, he believes the U.S. military should not be cut much below existing plans no matter what emerges from the former Soviet Union.

One close aide said of Mr. Cheney's remarks that "if the secretary of defense sits and begins to speculate on changes that can be made down the road" it becomes "something that we should do immediately in the minds of some members of Congress."

But his remarks suggested more than legislative tactics. Mr. Cheney appeared to say at several points that the structure of U.S. forces now planned for the latter half of the 1990s was at or near the lowest level that he was prepared to contemplate under any circumstances.

Plans now call for a reduction from 28 to 18 army divisions, from 545 to 451 navy combat ships and from 36 to 26 wings of air force tactical fighters.

Even if what evolves from the Soviet Union is a state or states no more threatening to U.S. interests than the European allies, Mr. Cheney said, "spending less than 18 percent of our federal budget on defenses would be risky business."

That percentage is envisioned in the last year of Mr. Cheney's current plan, fiscal 1997.

Mr. Cheney also rejected any pause in development of a new generation of U.S. weapons — specifically including the B-2 and the F-22 advanced tactical fighter — that have long been billed as responses to improvements expected from the Soviets in future years.

Mr. Cheney's plan for restructuring the U.S. military was devised after the razing of the Berlin Wall in November 1989 and the withdrawal of Soviet forces from most of Eastern Europe. Its unveiling last year in a speech by Mr. Bush was overshadowed by Iraq's invasion — the same day — of Kuwait.

"Let me get something off my chest," Mr. Cheney said. "One of the sources of frustration is having a lot of people operate on the assumption that we have not yet done anything to change our defense posture."

Even as he sounded uncompromising about his budget plans, Mr. Cheney gave a generally upbeat assessment of the forces ascendant in the Soviet Union. "The pro-democracy forces have never been stronger than they are today," he said.

As a result, he said, Soviet military spending, force levels and weapons-buying are clearly in a downward spiral that is immune to further pressure from Communists and the military bureaucrats who participated in the abortive coup against Mikhail S. Gorbachev.

"I am as pleased as anyone else," Mr. Cheney said, about developments in Moscow and the 15 Soviet republics.

At the same time, he said, "there are too many uncertainties out there now for me to conclude there is no prospect for anything other than a pleasant outcome in the Soviet Union."

Asked what threat the Soviet military now posed to the United States and its allies, Mr. Cheney cited the continued deployment of 30,000 nuclear weapons, one-third of which are strategic arms believed to be aimed at U.S. territory.

But he said recent events had diminished his concerns about offensive Soviet military action and provided a new set of anxieties related to possible Soviet social problems, which threaten the immediate neighbors of the former Soviet Union.

"The economic collapse, civil strife and refugee flows constitute bigger threats to Soviet neighbors than the likelihood of any kind of conscious decision to use forces the way that they did in say Afghanistan in '79," Mr. Cheney said. But he added in response to a question that "this doesn't mean that anybody's got an immediate mission for U.S. forces in that context."

In lieu of fulfilling a traditional role as the bulwark of a Western defense against Soviet conventional attack, U.S. forces deployed in Europe will, Mr. Cheney said, have an important psychological role soothing nervous allies and Eastern European states while Soviet republics undergo further turmoil. He said American troops would "serve as an anchor in this period of instability."

On other issues, Mr. Cheney indicated that he had not decided whether the United States should seek to curb the risks posed by the 20,000 tactical, or short-range, nuclear weapons in various Soviet republics by pursuing new arms control measures.

"The first order of business ought to be an aggressive implementation of the accords that have already been signed," he said, referring to treaties on strategic and conventional arms. "Whether or not there ought to be additional initiatives is an open question."

Senate Balks at Drain on Pentagon

By Helen Dewar
Washington Post Service

WASHINGTON — Reacting cautiously to the upheaval in the Soviet Union, the Senate has rejected an immediate shift of funds from defense to social-welfare programs, but indicated it would support an eventual shift of resources from military to domestic needs.

A proposal to transfer $3.1 billion from the Pentagon budget to expand health, education and programs for low-income people was defeated, 69 to 28, on Tuesday after many Democratic leaders said they agreed with its goals but opposed it as a violation of budget constraints.

The proposal was offered by Tom Harkin, an Iowa Democrat who is an undeclared candidate for the Democratic presidential nomination. His proposal accentuated political divisions already shaping up in the debate over how far to go in cutting the military budget to deal with domestic needs. But even though several Democratic leaders were divided over Mr. Harkin's proposal, they endorsed a full reassessment of budget priorities to substantially shift tax resources from military to domestic needs.

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Soviet Economic Union: First Brief Draft

Central Control, a Revived Ruble — and Restraint — Are Key Provisions

By Francis X. Clines
New York Times Service

MOSCOW — The separate republics of the crumpled Soviet nation were offered a draft treaty for a new economic union on Wednesday rooted in free-market commitment to private property, a revived ruble, and hoped-for restraint in the republics' indulgence of the novelty of independence.

The promised blueprint for a new economic union to resurrect this reeling nation was kept deliberately skimpy on details in order to make it more politically inviting for the Soviet republics, heady now with sovereignty, to choose to accept some common ground rules for a new economic life.

But the giant Russian Republic, which encompasses most of the Soviet nation's wealth and population, was reported eager to sign on, serving notice that other smaller republics had little time to debate the matter if the economic crisis is not to bring the republics all the way down into the ashes of communism.

"Russia cannot wait for long," said Grigori Yavlinsky, the chief designer of the proposed economic union as vice chairman of the Soviet transition government's economic management committee.

"It is ready to start all these changes on its own," he said at a news conference at which the draft treaty was unveiled as the last best hope for achieving enough stability to attract the massive foreign aid that officials say is needed.

As the draft treaty was made public, President Boris N. Yeltsin announced that Russia was going ahead with plans to take possession of the various coal, oil and other energy sources within its borders, a move that served as a possible reminder to energy-needy republics that some new cooperative economic arrangements will be necessary.

Mr. Yavlinsky estimated that the Soviet republics had four to six weeks to consider the draft treaty and arrive at concerted action, or else lose the opportunity for foreign aid as a credible successor to communism fails to emerge.

Soviet attentiveness, if not actual advance consultation with Western officials, seemed clear as American officials in Moscow were using the same time frame of four to six weeks for pondering whether some believable new economic plan might get under way.

While the economic union plan is short on details, Mr. Yavlinsky insisted that it includes the basic prerequisites of a credible free-market reform. These include a commitment by participating republics to unconditional private property, to common currency and banking systems, to a union budget and tax-support system, and to customs systems that guarantee the free movement of goods and services in the "common economic zone" that would be the new union.

Mr. Yavlinsky emphasized the need for the republics to realize quickly that the only common course they had, whether fully independent of the union or not, was economic cooperation in a loose union arrangement that they control as members.

He said in an interview that the initial task for the drafters of the proposed economic union was to provide a political vehicle to get them together, one that minimizes the inevitable economic details and pain to follow.

With the draft treaty completed as the opening strategem in the economic union, Ivan S. Silayev resigned as chairman of the economic management committee. He will resume full-time duties as prime minister of Russia and cabinet chief of the government of Mr. Yeltsin, the principal supporter of the economic union.

■ Assurances in Bonn

Ferdinand Protzman of The New York Times reported from Bonn:

Seeking to calm jittery Western creditors, Soviet economic officials assured the German government that the Soviet Union would continue paying its foreign debts, including money owed on projects in the newly independent republics.

A delegation headed by Alexander N. Yakovlev, a senior economic adviser to President Mikhail S. Gorbachev, also told German officials that two major financial institutions — the Bank for Foreign Trade and the State Bank — would remain the negotiating partners for Western banks and businesses in the Soviet Union.

In meetings with Chancellor Helmut Kohl and Economics Minister Jürgen Möllemann, Mr. Yakovlev's message was that despite the turmoil, the Soviet Union remains a reliable, credit-worthy business partner, albeit one badly in need of aid.

Economists said Mr. Yakovlev's reassurances would not allay fears that the Soviet Union was facing an imminent liquidity crisis or that its foreign loans would not be repaid if the republics that have declared independence from Moscow are handed responsibility for servicing such debts.

The Soviet Union owes a total of $51.3 billion to Western governments and banks, according to the Federal Institute for Eastern and International Studies in Cologne.

Jiang Calls On Army to Obey Party

BEIJING — Rattled by the collapse of communism in the Soviet Union, Jiang Zemin, the Chinese Communist Party chief, has ordered the army to be ready to handle all emergencies and to obey the party faithfully.

Mr. Jiang said in a speech printed in all major newspapers Wednesday, "We must never waver in insisting that the party exercise absolute leadership over the army."

"Building our army well during the new situation constitutes the earnest hope of the whole party and all the people," he said, and is "urgently required."

A diplomat said Mr. Jiang's mention of the "new situation" was a 'clear reflection" of the deflation of Communist power in the Soviet Union.

He added that "the Communist Party here feels it has to reassert itself in a hard-line way and especially to stress that the party controls the gun."

After the Soviet coup failed, party leaders here issued an internal directive saying the hard-liners lost because the Soviet Army was weak when it was called up on to protect them.

Lauda Says Pilots Had No Chance

The Associated Press

SEATTLE — There was no way that the pilots of an Austrian airliner that crashed in Thailand could have saved the plane, the airline's owner, Niki Lauda, said after running a Boeing Company simulation of the jet's final moments.

"They had no chance whatsoever," Mr. Lauda said of the two pilots who died with 221 other people on the Lauda Air 767-300ER when it plunged into the Thai jungle May 26.

Mr. Lauda, a pilot rated to fly 767s, was in Seattle on Tuesday to discuss the crash with Boeing officials and to fly Boeing's 767 simulator at the company's Renton plant.

He described a frightening scenario of the wide-body jet's last seconds, in which it flipped over and began an uncontrollable inverted dive at the speed of sound or faster before breaking up at about 8,000 feet (2,500 meters).

"There's no pilot in the world that could keep this plane flying," Mr. Lauda said.

Mr. Lauda and Thai authorities have concluded that the crash, the first by a 767, was caused by an engine thrust reverser that activated in flight.

Boeing officials have said it is premature to conclude what caused the crash, noting that the National Transportation Safety Board has not yet released its formal findings.

But Mr. Lauda said he thought Boeing also believed that a deployed thrust reverser caused the accident.

On 767s, the Boeing-built reversers, which divert the engine's thrust forward, are designed to be used only on the ground, normally to slow the plane after it has landed.

Mr. Lauda said Ben Cosgrove, senior vice president of the Boeing Commercial Airplane Group, had told him "they are working flat out in changing the system" to make it fail-safe.

Concorde Lost Rudder During Flight, Airline Reveals

United Press International

LONDON — The rudder of a supersonic Concorde jet flying at twice the speed of sound fell off during a trans-Atlantic flight in January, British Airways said Wednesday.

The British Airways Concorde 102 landed safely in New York, and none of the 49 passengers or 9 crew members was injured, an airline spokesman said.

A Transport Authority investigation found that a small section of the plane's aluminum skin had torn loose and knocked off the lower rudder.

Investigators said the section had ripped loose during flight after paint stripper seeped inside the plane's surface, softened the tail's adhesive resin interior and allowed the exterior to rip away.

The plane had been flying at 1,400 miles an hour (2,250 kilometers an hour) at 56,000 feet (17,068 meters) when the crew felt "unusual vibrations," but they did not realize until they landed that the lower rudder and parts of the plane's outer skin had ripped away.

The January accident, which was not widely reported at the time, was the second such incident in two years involving a British Airways Concorde. In 1989, a Concorde lost parts of its tail section over the Tasman Sea in Australia but landed without incident.

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Pullout From Cuba: Shock to the System Or Shot in the Arm?

By Howard W. French
New York Times Service

MIAMI — After 30 years of close cooperation, the Soviet decision to withdraw its troops from Cuba constitutes a powerful shock to the morale of the island's Communist establishment and may hasten pressures for radical change, experts in Cuban affairs say.

Since the tensest period of U.S.-Soviet jostling over Cuba in the 1960s, Soviet forces have played only a symbolic role in the defense of the island. But experts say that the Cuban military has continued to rely heavily on Moscow for everything from training and technical support to intelligence and state-of-the-art weapons.

"The people in the general staff command of the Cuban military, most of whom are trained in the Soviet Union, are left wondering, 'What kind of impact is this going to have on us?'" said Christopher Barton, an expert on the Cuban military at the Center for National Security Law at the University of Virginia. "Some of them who have seen what is happening elsewhere in the world will probably begin to say 'when are we going to start making changes in our society.'"

Cuba has already been hard-hit by a sharp decline in economic ties with the Soviet Union.

In recent weeks, as the list of rationed goods has swollen, new limits have been placed on the consumption of everyday items like tobacco products, gasoline, vegetable oil and cooking fuels.

Even as the changing international environment has made life dramatically more difficult for his country, however, President Fidel Castro has strenuously vowed to resist changes like free-market liberalization and political pluralism that could help reinsert Cuba into the world economy.

"The screw will become tighter and tighter now, and something is going to give sooner rather than later," Mr. Barton said. Quoting the exclamation that caps many of Mr. Castro's speeches, he added, "You just can't eat the phrase 'Socialism or Death.'"

Analysts of Cuban affairs said that the Soviet announcement, coming on the eve of an important congress of the Cuban Communist Party next month, would further complicate the leadership's management of its growing economic and political crisis.

"This must really be quite a blow psychologically," said William Ratliff, a research fellow at the Hoover Institution at Stanford University. "Castro will be that much more on his own. Not only does it hurt that the troops are being removed, but it is the definitive sign that this long relationship is coming to an end."

■ U.S. Lauds Decision

Andrew Rosenthal of The New York Times reported from Washington:

The Bush administration and members of Congress welcomed the decision by the Soviet Union to end its military presence in Cuba and urged that the withdrawal be carried out quickly.

But the White House and Congress immediately collided over how much pressure the United States should now put on both Moscow and Havana.

The administration tried to fend off lawmakers' demands that sanctions against Cuba be strengthened and that Soviet aid to Cuba, including economic assistance, be terminated as a precondition for direct American economic aid to the Soviet Union.

Regarding the announced troop withdrawal, President George Bush said, "I wish they'd hurry up." Later, Marlin Fitzwater, the president's spokesman, added, "It's a very helpful step and one that goes in the right direction."

Two Republican lawmakers, Senator Phil Gramm of Texas and Representative Newt Gingrich of Georgia, said the Soviet announcement, while welcome, did not go far enough. They insisted that all economic aid from Moscow to Cuba should also be ended.

"I am not going to vote for any kind of assistance to the Soviet Union as long as they are providing aid to Fidel Castro," Mr. Gramm said, adding: "We can't let this freedom tide wash over the world and not drown Fidel Castro."

But the White House insisted that it was not linking Soviet aid to Cuba and American aid to Moscow.

"We have not linked any quid pro quo items with aid," Mr. Fitzwater said. "But we have said time and time again that reductions of military expenditures is the quickest way for them to get more money for their ailing economy and that indeed we would expect them to be looking at defense cuts."

CUBA: *Soviet Troops Will Leave*

(Continued from Page 1)

the 1962 Cuban missile crisis and has been a constant source of tension in Soviet-American relations.

Only hours after Mr. Gorbachev made his announcement, Mr. Baker was told by the Russian Republic's president, Boris N. Yeltsin, in their separate talks, that he was proposing to the Japanese a compromise solution for settling the dispute between Russia and Japan over four islands in the Kuril chain seized by the Soviets at the end of World War II, but still claimed by Japan.

Tokyo has made a return of the four islands a condition for any substantial economic aid to the Soviets.

Mr. Gorbachev disclosed the Cuba offer during a joint news conference with Mr. Baker after three hours of talks in the Kremlin.

Asked what he thought of Mr. Gorbachev's overture, Mr. Baker said: "I would not characterize that as a small gesture. I think it is a very substantial gesture."

He added later that it would be "very important with respect to public opinion in the United States."

According to the State Department, Soviet military personnel on Cuba fall into three categories.

First, roughly 3,000 are attached to or in some way supportive of the huge intelligence listening post the Soviets have built to monitor phone calls and other electronic communications along the U.S. East Coast. Second, there is a rifle brigade of about 3,000 men that ostensibly protects the Soviet military personnel in Cuba. Third, there are roughly 3,500 Soviet military advisers working with the Cuban armed forces and navy.

In 1990, according to the State Department, Moscow provided Cuba with about $500 million in trade credits and an additional $800 million in technical and development assistance, including two nuclear power stations that the Soviets are building on the island, and $2.2 billion in hidden subsidies through the oil-for-sugar swap.

The new relationship with Cuba will be worked out in the "immediate future," Mr. Gorbachev said, and should not take "many months" before it is put into effect.

The senior administration official briefing reporters on Mr. Baker's talks with Mr. Gorbachev and Mr. Yeltsin said they had told him that within four to six weeks they expect to have a concrete, credible plan for transforming the Soviet economy to a free-market.

American officials want the plan to be worked out in cooperation with the International Monetary Fund and other international lending institutions.

Once that plan for change is completed, the American official said, the Bush administration and its Western allies understood that it would be incumbent upon them to come up with substantial economic aid, which most likely would be cash and credits for a stabilization program, of the sort used in Poland, to cushion the Soviet economy while it moves to a convertible currency and free market.

SOBCHAK: *The Next President?*

(Continued from Page 1)

been formally approved by that republic's cabinet.

"We have enough food to feed the country, but we may find ourselves on the verge of hunger and cold if we continue to run into this sabotage like what the Ukraine is doing with food and fuel supplies," he warned. "What kind of democracy is this?"

Unlike Mr. Gorbachev and Mr. Yeltsin, who studied power in the cloisters of the Communist Party, Mr. Sobchak owes his prominence, above all, to television.

A professor of economic law and author of 12 books on legal topics, he was a political novice until the parliamentary elections of 1989, when his law department nominated him. He won election from a blue-collar district of his city, running on a platform of economic and legal change.

His trenchant legal arguments and eloquent oratory made him a star of the first televised sessions of the Congress of People's Deputies in 1989, and he became a fixture on "Fifth Wheel," a Leningrad television talk show widely viewed in the western Soviet Union.

Like Mr. Gorbachev, he is fluent in the art of legislative maneuver and compromise. He was often called upon by parliamentary leaders to cut through procedural snarls or reconcile warring viewpoints.

Like Mr. Yeltsin, he was quick to grasp that authority in the new Soviet politics flowed from popular exposure and public consent.

"In contrast to Gorbachev, Sobchak is not afraid to step in front of a crowd," said Nikolai N. Engver, a fellow legislator.

"Right now is Yeltsin's moment, but the next cycle is Sobchak's," Mr. Engver added. If there is a confederation and the country reorganizes as a unitary state, there is no better candidate for president than Sobchak."

The mayor's reputation as a leader of the post-Communist political generation is helped by the fact that he had only a glancing relationship with the Communist Party. He joined in 1988, when it was still plausible to argue that the party was potentially a vehicle of change. Two years later he stalked out, along with Mr. Yeltsin and others, pronouncing the party incorrigible.

Mr. Sobchak, who is in his early 50s, was drafted to be mayor of the second-largest Soviet city after non-Communists triumphed in municipal elections early last year but lacked a charismatic figure to hold them together. They recruited Mr. Sobchak to run for an unfilled seat in the council, then promptly chose him by acclamation to head it.

As mayor, he soon antagonized many of the fractious radicals who chose him.

"They accused him of not hearing out their opinions, of being rude, of cutting short deputies," said Anatoli Yezhelyov, a St. Petersburg journalist and member of the Soviet parliament.

After Mr. Sobchak overrode objections of preservationists and signed a contract with a French company to renovate a classic building complex as a tourist center, he was denounced by the city's Green faction for "betraying the national heritage."

But his close working relationship with Mr. Yeltsin helped him win approval of an ambitious economic renewal program that included subordinating all industry, even defense plants, to the city as a first step toward privatizing them.

This year, he enhanced his authority by running for citywide popular election and winning overwhelmingly.

Although he has often criticized Mr. Gorbachev, he has been a strong supporter of presidential power and a flexible but coherent union.

Since the failed coup, he has stepped up his support for Mr. Gorbachev as "a symbol of statehood" and has pleaded against the rush of republican independence, arguing that many republics were seizing on independence to protect "feudal communism."

Colleagues, including many who respect him, often accuse Mr. Sobchak of being infatuated with the sound of his own voice, and for a taste for slashing oratory.

During one Congress, he literally drove Nikolai I. Ryzhkov, the former prime minister, to tears by accusing him of complicity in a scheme to export tanks.

"I do not understand you, Mikhail Sergeyevich," Mr. Ryzhkov implored Mr. Gorbachev, who was presiding. "Why do you always let Sobchak speak?"

Bonn Is Insistent in Moscow Talks On Honecker's Return to Germany

Reuters

BONN — Bonn wants the former East German Communist leader, Erich Honecker, to be returned from the Soviet Union and not sent to a third country, government officials said Wednesday.

Foreign Minister Hans-Dietrich Genscher said in Moscow on Wednesday that talks with Soviet leaders on Bonn's request to extradite Mr. Honecker had not yielded a result. Mr. Genscher said he had discussed the issue with both President Mikhail S. Gorbachev and Foreign Minister Boris D. Pankin.

Rejecting press speculation that Bonn did not really want Mr. Honecker back, the officials ruled out any deal that would allow Mr. Honecker to join his daughter in Chile or seek refuge in China.

Germany insists on the extradition of Mr. Honecker, 79, who was taken by the Soviet military from a hospital in Germany in March despite a warrant for his arrest on charges of giving "shoot to kill" orders for East German border guards.

SOVIETS: *Not Too Proud to Beg*

(Continued from Page 1)

Western Europe did in the first years after World War II. Mr. Gorbachev has in effect broken his sword and cast it down in front of President George Bush and the Japanese prime minister, Toshiki Kaifu, and said, "Help us."

Mr. Gorbachev had already done as much with Chancellor Helmut Kohl of Germany in 1990, agreeing to German reunification essentially on West German terms, in exchange for more than $30 billion in German economic aid.

But now, Germany has no more money to give, and thus the Russian and Soviet leaders have no choice but to turn to the United States and Japan.

"If there ever was a chance to make a contribution, it's now," said the German foreign minister, Hans-Dietrich Genscher, in Moscow on Wednesday morning.

Mr. Baker responded positively Wednesday to Mr. Gorbachev, and let it be known that the United States would be willing to consider economic assistance through the International Monetary Fund as soon as the Soviets, and any of their former republics, come up with "credible" and "concrete" free-market economic renewal plans.

But the real political question, U.S. officials agree privately, is whether the administration — or the American body politic — is ready to give the kind of assistance that the Soviet Union will probably need.

The Marshall Plan was spurred on by the Soviet menace to Europe, a threat that has disappeared. It is hard to conceive of that much, in an age of huge budget deficits and domestic spending needs, going to the Soviet Union now. Economic renewal plans suggested by Soviet and American academic experts have proposed that the amounts be shared by the United States, the European Community countries and Japan.

Even in Germany, which had reunification to gain, Mr. Kohl has found the political and economic strains of raising gasoline and sales taxes to pay for the rebuilding of East Germany's economy extremely painful. So now, he turns out his pockets and tries to work on the United States — and Japan, which may even have the money the Soviet Union needs.

Mr. Kaifu made it clear during Mr. Gorbachev's visit to Japan earlier this year that the Soviet Union could not expect a red cent until it gave back the Kuril Islands.

With the winter fast approaching, and the harvest mostly still lying around in the fields waiting for the rains to rot it because the infrastructure of agricultural machinery and transport equipment has collapsed, the Soviets have already begun asking for help in feeding themselves.

With the French and the Germans already sympathetic, a British diplomat conceded, London is coming under increasing pressure to drop its previous position that any large amount of aid is premature until the Soviet economic reformers get their act together.

"We have a unique chance to influence a genuinely hopeful development here," Mr. Genscher said Wednesday before heading off to the Baltic states to view what used to be one of the most economically productive and self-sufficient regions of the Soviet Union but has now become three newly sovereign states.

Whether Mr. Gorbachev's groveling will produce a more forthcoming attitude from the United States or Japan remains to be seen. What is clear is that he has no choice — and that they will soon be forced to ask themselves whether they do, either.

BASES: *Debate Opens in Manila*

(Continued from Page 1)

Philippine politicians and diplomats that the base agreement could be resurrected in some form later this year, even if the United States began pulling out.

But in interviews Wednesday, many lawmakers suggested that their determination to kill the treaty was stronger now than it had been just a few days ago, especially after President Corazon C. Aquino led a mass rally in Manila on Tuesday in support of the base accord.

They said the rally had backfired, both by drawing a smaller crowd than hoped for — an estimated 100,000 to 200,000, instead of the 1 million predicted — and by hardening the anti-base conviction of some wavering lawmakers who were singled out for criticism at the rain-drenched rally.

At a meeting with Senate leaders Tuesday, Mrs. Aquino and her legislative supporters asked that the base agreement be put to a national vote — that the Senate, in effect, waive its right to ratify the treaty and leave the decision up to the public. Opinion polls suggest overwhelming public support for the treaty.

But many senators rejected that suggestion.

"No chance, the senators won't permit a national referendum," said Senator Ernesto Maceda, who suggested that Mrs. Aquino would be largely responsible for the treaty's failure because she had not taken an active role in negotiating the agreement and lobbying for its passage in the Senate.

■ Malaysia Offers Help

Malaysia offered Wednesday to expand military cooperation with the United States if Washington is forced to abandon the Subic Bay base, Agence France-Presse reported from Kuala Lumpur.

Defense Minister Najib Razak said Malaysia was prepared to continue and expand "the coverage, frequency and type of assets involved" under a bilateral agreement covering military exercises and military training.

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OPINION

Starting With Food

Without foreign help, starvation is a real possibility this winter in some parts of the (former) Soviet Union. If the West hopes to encourage orderly reform in a country now approaching chaos and hunger, this is the place to start. The well-fed countries of Europe and North America have already made clear that they are ready to ship supplies to avert the worst possibilities. But there are large questions about the kind of aid that will be most effective and how much is needed.

President George Bush has sent Undersecretary of Agriculture Richard Crowder on a quick trip to assess the situation. After a similar trip last May, Mr. Crowder reported that the Soviets were producing enough to feed themselves, but that part of the trouble last winter was an epidemic of panics that led to hoarding. A larger part was waste in the distribution system. In the case of grain, he found, losses in distribution may run as high as 20 to 30 percent. In fruit and vegetables, they go as high as half the harvest.

To make the most of food aid, the Soviets need other kinds of aid as well. Accustomed to life under a regime obsessed with production, they have asked for agronomists to help them get output higher. But they have a more immediate need for experts from the grocery and produce industries who can show them how to process and ship food to ensure that it is edible when it arrives in the stores. It would be a mistake to define food aid narrowly and limit it to the shipments of grain for which American farmers are pressing.

To make their food system work, the Soviets are going to have to do more than recruit foreign aid. They are going to have to set food prices free and allow markets to exist. That is going to be a traumatic step, and at first it will be bitterly unpopular. Perhaps one of the most useful purposes of Western food aid will be to prevent the profiteering, fear and hoarding that can turn small shortages into large and deadly ones with ugly political consequences. Decontrolling food prices, and building a distribution system that works reliably, is the reform that will be fundamental to all the other economic reforms the Soviets need to launch.

How much food should the West send this winter? It is hard to think of a case in which generosity more obviously served the interest of the donors as well as the recipients. This year's harvest, according to the preliminary reports, is apparently going to be far below last year's. That will mean insufficiency, even before the food leaves the farms. The case for sending adequate aid is compelling. Winter comes early in Russia, and it is essential to move quickly.

— THE WASHINGTON POST.

French Intransigence

"It is no good welcoming the independent countries of Eastern Europe with tears of joy if we do not allow them access to our markets." So said Jacques Delors of France, president of the European Commission. But France's prime minister, Edith Cresson, doesn't agree. At her government's insistence, the foreign ministers of the European Community scotched a plan to open the Community's borders, by a crack, to allow entry of goods from Poland, Hungary and Czechoslovakia. Apparently, it is fine to help Eastern Europe move to markets — as long as it causes no French citizen the slightest discomfort.

Freer trade is desperately needed. The northern tier countries of Eastern Europe are struggling to transform ossified centralized economies into market-based systems, but they have been devastated by the collapse of the Soviet Union, their major trading partner. Output is stagnant or falling; unemployment is mounting. The obvious antidote is to open the rich markets of the West to East European exports of food, textiles and other manufactured goods. But the European Community ferociously preserves its protectionist policies, especially in agriculture, that already impose hideous costs on European consumers and Third World food exporters.

The proposal abandoned last week would have increased the quota of beef imported from Eastern Europe by a miniscule 0.01 percent of EC consumption. Yet the French balked. Not every European country acted as callously. The Germans reportedly agreed to higher imports of coal and steel. Portugal to more textile imports.

The French obstinacy threatens not only to undermine recovery of Eastern Europe, but also the unresolved Uruguay Round of international trade talks, where Third World food exporters have refused to reach an agreement unless the EC lowers barriers to their food products. The cost of France's intransigence to the world's economies by the end of the decade will be measured in trillions of dollars. European officials labeled France's decision outrageous, disgraceful, scandalous. All true.

— THE NEW YORK TIMES.

Saddam Keeps Cheating

Saddam Hussein would like to be free of international economic sanctions, but he is not willing to meet the world's stated terms for lifting them: full compliance with the final United Nations cease-fire resolution. Instead, the Iraqi dictator has tried to con world opinion by manipulating the hunger of millions of innocent Iraqi civilians. The Security Council is obliged to address this very real human need. But it is also obliged to insist that Baghdad comply with the cease-fire resolution's arms control requirements and stop intimidating neighboring states and domestic dissidents.

Last month the council attempted to deal honorably with the food problem. The original sanctions did not prohibit Iraq from purchasing necessary food, but by cutting off most Iraqi exports the sanctions limited the money available to Iraq for food purchases. So on Aug. 15 the council authorized Baghdad to sell, under supervision, $1.6 billion worth of oil from its pipeline in Turkey. The proceeds would be deposited in a UN-controlled account. These revenues would then be used for approved food purchases and to meet Iraq's obligations to pay for war damages.

But so far no oil has been sold. Baghdad refuses to go along with the council's plan, which it denounces as an unacceptable infringement of its sovereignty. It demands the right to sell more oil and control the proceeds more directly. Such stubbornness keeps the threat of mass hunger alive.

Now the Security Council is being asked to consider a report based on recommendations from Sadruddin Aga Khan, the secretary-general's main representative in Iraq. The report suggests increasing authorized oil sales by more than half, to $2.5 billion. It also suggests methods of UN supervision that Baghdad might regard as less threatening to its sovereignty. The motivation is humanitarian, but the report's approach would do far more harm than good.

It would ease the pressure on Iraq to comply with cease-fire obligations it continues to evade, like full disclosure of its weapons facilities. It would increase the danger of covert rearmament by letting more money, with fewer controls, pass through Baghdad's hands. And it would reward Iraq's manipulative tactics in a way likely to encourage fresh campaigns to weaken remaining sanctions.

There are better ways to feed starving Iraqis. Instead of indulging Iraq's demands for prematurely restoring full sovereignty, the United Nations could mount its own humanitarian relief operation, paid for out of frozen Iraqi funds abroad, or billed against future Iraqi oil revenues. If Baghdad refused to let UN relief workers enter its territory, it would fully bear the blame for any resulting suffering.

It is unfortunate that the world lacks effective ways to stop Saddam from victimizing his own people. But it has, at some cost in blood and treasure, imposed a set of requirements designed to keep him from ever again victimizing other countries. Undermining those requirements now in response to Iraqi intransigence would be an unforgivable mistake.

— THE NEW YORK TIMES.

Other Comment

A Threat of EC Sanctions

The predicament of the Croats grows grimmer every day. As the peace conference at The Hague gets under way, the Serbian president, Slobodan Milosevic, and his supporters in Yugoslavia's federal army brazenly ignore the cease-fire signed in Belgrade last week. Their contempt for the European Community's mediation is illustrated by their continued assault on the eastern Croatian town of Osijek, despite the presence of an EC monitoring team. It is clear that they are using the conference as a cloak, under which to maintain the drive toward a Greater Serbia.

Nevertheless, we remain unconvinced that precipitate recognition of Croatia would be wise. If recognition is to be more than a gesture that would fill the Croats with vain hopes, it must imply a willingness to arm the republic, in particular with anti-tank and anti-aircraft missiles, to enable it to regain lost territory. Partially lifting the arms embargo against Yugoslavia and pouring weapons into what is already a powder keg would be highly risky. Moreover, it is not certain that Croatia would use them solely for repulsing Serbian aggression. Deprived of large parts of its own territory, the government of President Franjo Tudjman might seek compensation in the form of a Greater Croatia; that is, by annexing those parts of Bosnia-Herzegovina where Croats are concentrated.

German enthusiasm for recognizing the republic is not shared by Britain and France. If Bonn goes ahead unilaterally, the Croatian morale will be strengthened, but the Community will lose all credibility as a mediator. The 12 and their partners in the Conference on Security and Cooperation in Europe must make clear to Serbia that its actions have rendered it a pariah that can expect no aid. Mr. Milosevic's republic is too weak to ignore the threat of sanctions for long.

— The Daily Telegraph (London).

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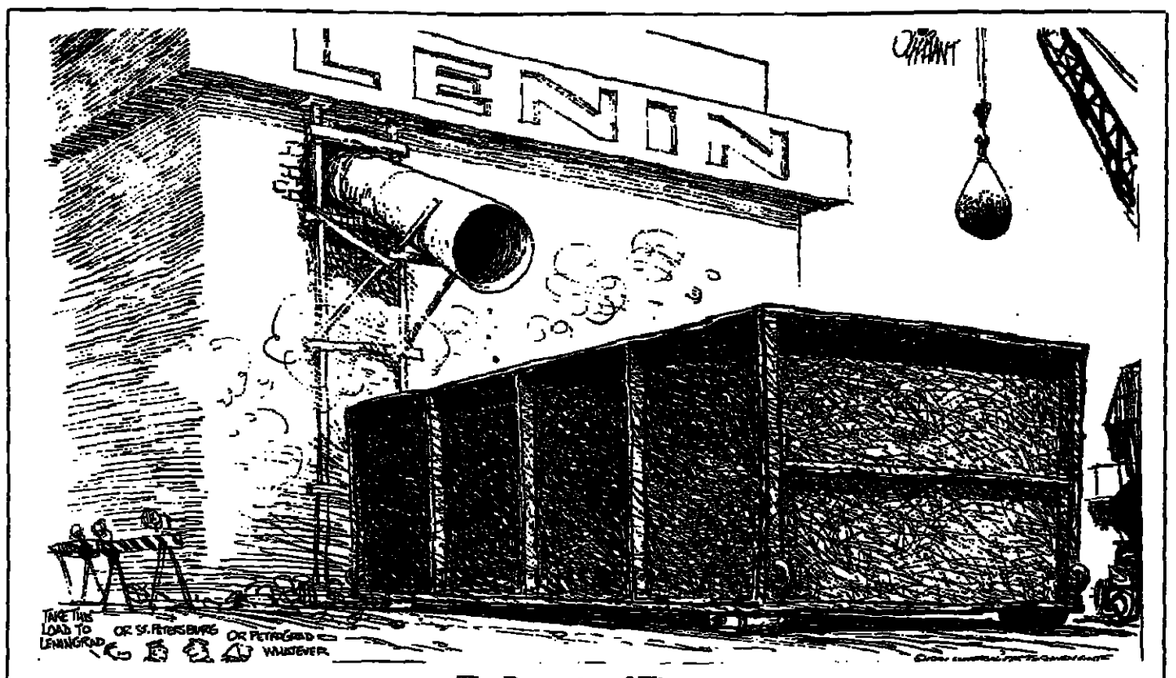

The Dumpster of History

Nothing Less Than a Marshall-Type Plan Will Do

By Robert Blackwill and William Hogan

CAMBRIDGE, Massachusetts — The question faces the West: What and how much technical assistance does the Soviet center, and particularly the republics, most immediately require? But there is a much tougher question: How should such aid be organized and administered?

The areas in which the industrialized democracies could most effectively help are becoming familiar — food distribution, conversion from a defense to a civilian economy, exploitation of energy, transportation, communication, privatization, macroeconomic policy, banking and the overall legal framework.

Given the catastrophe that is the Soviet economy, seriously beginning these tasks would require thousands of Western experts working full-time to provide "how to" help. Identifying the priorities for technical assistance and actually making it work are two very different undertakings.

At present, technical aid from Western governments appears mostly confined to occasional brief exploratory visits to chaotic Moscow by small teams of experts who spend a few 14-hour days trying to pinpoint the major problems and getting over their jet lag.

These well-meaning emissaries learn all they can, sometimes offer quick advice and then go home to resume their regular and consuming responsibilities. Their episodic labors have about as much chance of leaving a lasting impact as a three-day visit of consultants to the Washington, D.C., school system.

Leading management consulting companies routinely spend months seeking to understand the problems of corporations around the world. Their specialists explore a corporation's innards before offering prescriptions. Besides, ailing corporations in free-market economies are simple textbook cases compared to virtually any Soviet institution.

Consider defense conversion. Today the Soviet Union is a military-industrial complex. Conversion, essential for economic progress, must become a centerpiece of economic reform. Soviet organizations accustomed to a single customer, cost-plus production and a monolithic structure must quickly transform themselves into market-responsive, value-adding, flexible innovators. The change must be fundamental and dramatic.

A few weeks ago, Vitali Maiko, director of a defense electronics plant in Kiev, described his first attempt (with Western experts at his side) at preparing a business plan — an everyday event for Western corporations — as "transforming our thinking." This simple but inspirational experience must be repeated across thousands of enterprises and spread into the culture of the work force, with the initial effort largely financed by Western governments.

Or take energy use and environmental protection. The land of Chernobyl is only too aware of the devastation that accompanies wasteful use of natural resources. Yet every Soviet factory and home has been designed within a system that uses fictitious energy prices and outrageous subsidies. The predictable result has been relentless pressure to build unsafe generating plants to satisfy wasteful demands for energy. By comparison, even the United States looks like a frugal energy consumer.

Thus, Western technical assistance must be very large in scope, in place at the Soviet center and especially in the republics, and committed for months and years.

Imagine new international institutions in Moscow, Kiev, Minsk, etc., perhaps occupying some of the spiffier buildings formerly run by the Communist Party, filled with Western experts, sorting out answers with their hosts and preparing the way for expansion of Western government aid and private investment.

At the height of the Marshall Plan, Washington hired thousands of Americans to work in more than a dozen countries to assist European recovery. If such a Western program of technical assistance is not put in place quickly at the Soviet center and in the republics, no amount of aid will prevent the darker forces from trying again to put freedom back in a box.

The writers are faculty members at the Kennedy School of Government at Harvard. They contributed this comment to The New York Times.

Bush Ought to Keep Paying Attention to Saddam

By Jim Hoagland

WASHINGTON — The good news of the Soviet breakup and the bad news of a bitter U.S.-Israeli clash over loan guarantees and peace talks combine to produce one unrelentingly bad effect: America's current preoccupations buy valuable time for ex-Enemy Number One, Saddam Hussein. The Iraqi dictator breathes easier while American energies are focused elsewhere.

The attrition strategy that the Bush administration adopted in May has proved vulnerable both to the rush of outside events and to the strategy's internal contradictions. George Bush's middle course of military containment and economic isolation allows Saddam room to regain the initiative that had supposedly been taken from him forever with his expulsion from Kuwait.

Iraqi troops have mounted at least two raids behind the U.S.-dictated cease-fire line in the Kuwait theater to recover weapons in recent weeks. By going all the way to Bubiyan Island, as they did on Aug. 28, the Iraqis send the message that Saddam is returning to the regional intimidation business as the strong American position established by Operation Desert Storm erodes.

Saddam's fear of American retaliation has evidently lessened since July 26, when Washington let its deadline for a full disclosure and surrender of nuclear material pass without action, even though the Iraqis failed to comply.

Iraq now poses new obstacles by denying United Nations inspection teams the helicopters they need to hunt for hidden chemical weapons and nuclear facilities. The United States also did nothing when an Iraqi fixed-wing aircraft defied the order banning flights from Umm Qasr airfield on the Kuwaiti frontier last month.

Saddam has also gone on the offensive in the north of Iraq, scuttling his autonomy talks with the Kurds and sending Republican Guard units back into the Kurdish town of Kirkuk.

Saddam's bid to renew his authority has drawn only a muted response from the Bush administration, which has understandably been riveted on the implosion of the Soviet Union.

But the concentration on the second Russian Revolution is only part of the reason for the White House's reluctance to respond with force to Iraqi transgressions. Mr. Bush's attrition strategy has shown itself to be difficult to implement, a fact that the administration is not eager to spotlight.

"Our experience shows that we could not be sure we would have gotten all the nuclear sites with new bombing raids," a senior administration official said. "So what would we have done after conducting a bombing raid at the end of July? Would we have announced that we had probably destroyed the nuclear sites we told the American people last winter we had already destroyed?"

The overselling of the military effectiveness of Desert Storm has returned to haunt Mr. Bush. So have Arab rivalries submerged during and just after Desert Storm but which resurfaced in the war's uncertain aftermath. The idea of a regional security force that the United States wanted built around Egyptian and Syrian units has been quietly buried because of these differences.

Political change in Turkey also complicates U.S. military options. The new prime minister, Mesut Yilmaz, will be tempted to capitalize on a spreading feeling among Turks that Ankara did not get enough out of Washington and the European Community to justify its heavy investment in the coalition war on Iraq. One way of doing this would be to ask Western troops to leave their base near Iraqi Kurdistan. Turkish agreement to the stationing of a mixed battalion of U.S., French and British troops to deter new Iraqi atrocities against the Kurds expires at the end of this month.

There seems to be little enthusiasm within the administration for the difficult bargaining it may take to get Mr. Yilmaz to renew the small, militarily marginal "Poised Hammer" ground force for another three months. Saddam will proclaim its withdrawal as further proof that he was right when he said that he would outlast the Americans.

President Bush and Israeli Prime Minister Yitzhak Shamir are bitterly fighting over peace talks and money rather than concentrating on the unfinished business of finishing off Saddam. Instead of checking the drift that has allowed Saddam to regroup, they allow him to slip further down the list of priorities.

This underestimates Saddam's capacity for surprise and villainy. He cannot be content simply to hunker down and survive. He built his regime on terror and force and he must show that he can still exercise both if he is to dominate Iraq and its neighborhood.

His psychological and political needs drive him toward seeking an outcome in his contest with the Americans that will stand up to comparison with the record of his radical Iranian neighbors. He knows that they destroyed Jimmy Carter's presidency and badly damaged that of Ronald Reagan. As election season approaches, Saddam will find ways to remind George Bush and Americans of their unfinished business in the Gulf.

The Washington Post.

For Serbs, a Mixed Diet of Sanctions and Protection

By William Pfaff

PARIS — Two principles should be established in the Yugoslav crisis. The democratic world will have to live with the precedents set there for years to come.

The first principle is that among civilized countries, frontiers are not to be changed by military aggression.

The second is that the security and human rights of national minorities are of international concern and will be defended by the community of democratic nations.

The first warning is addressed to Serbia, the second to Croatia. These steps are essential if there is to be a peaceful transition in what now is the Soviet Union and in the Balkans.

The U.S.S.R. and the former Communist dictatorships of Eastern Europe are desperately concerned to become integrated into the free and prosperous community of European democracies. There is a code of conduct for membership. No concessions can be made to military aggression, or to invidious discrimination or aggression against national minorities.

Threatened minorities and challengeable frontiers exist everywhere in what used to be the Communist world. There are more of them in the Soviet Union than during czarist days, because it was Stalin's deliberate policy to transport whole peoples from their place of origin, installing them in the midst of other and potentially hostile groups in order to better control both.

The entire region was formed by successive migrations, since prehistory, of the Central Asian peoples westward into Europe. Individual groups halted, settled, were bypassed by others, or displaced, or surrounded, most eventually finding their political identity in the loose imperial systems that grew up — the state of Muscovy in Russia or in the Byzantine Empire, successor to Rome, or in Byzantium's successor, the Ottoman Empire. In the western regions, tribal kingdoms were in one way or another eventually absorbed into the Western dynastic system, notably into what became the Austro-Hungarian Dual Monarchy.

As these loose and fundamentally feudal empires broke down in the 19th century, individual nationalities set out to make themselves nation-states on the modern Western model, and to become as large and powerful as possible. Slobodan Milosevic and the leaders of Yugoslavia's Serbian-dominated Yugoslav army are still at it. There are others elsewhere in this region who still see the world in equivalent terms — which elsewhere have been discredited by the First and Second World Wars and by eight decades of the totalitarian experience.

The Yugoslav crisis is the product, first, of Serbia's attempt to create a "Greater Serbia" by annexing those portions of modern Croatia populated by a Serbian minority, and by establishing a dictatorship over what now is the ostensibly autonomous Yugoslav region of Kosovo, once populated by the Orthodox Christian Serbs and a center of their civilization, but in modern times overwhelmingly Muslim in religion and Albanian in ethnic composition.

The crisis is also the result of the gross atrocities committed just 50 years ago by Croatians against the Serbs. Fascist Italy and later Nazi Germany sponsored a fascist autonomy movement in prewar Yugoslavia, which between 1941 and 1945 became a fascist Croatian state and conducted the cold-blooded slaughter of tens of thousands of Serbs. No one in Serbia has forgotten this.

Serbia and the federal army appear determined to continue their offensive until they have conquered what they want from Croatia. They expect then to negotiate from the basis of a military fait accompli. The international community must insist that the territorial gains of Serbia in this war will not be recognized, and that if Serbia holds to its present course it will be made the object of both European Community and United Nations economic and diplomatic reprisals.

Serbia in this case will have put itself in exactly the position of Saddam Hussein in August 1990 — who also had certain legitimate claims to make against the country he invaded.

As President George Bush is unlikely to collect another war-making coalition in order to defend Croatia, the international community will have the opportunity to find out what economic and political sanctions can in fact accomplish. Can the world community do peacefully in Serbia what a war was necessary to do in Iraq?

It must try. The principle at stake is the same, and the precedent that would be set by successful military aggression in Europe in 1991 is of even more sober implications than a success by Saddam Hussein would have provided.

It is equally time to reassert and refine the "right" now tentatively asserted by the democracies to "humanitarian intervention" in countries which abuse the human rights of their citizens or their national minorities. The Serbian minority in Croatia has perfectly sound historical reason to fear the consequences of Croation independence, in a time of renewed Croatian-Serbian conflict.

The European Community, the other European democracies which have joined the Community in this effort, and Canada and the United States should insist upon their right to interest themselves in the protection of human rights in Yugoslavia as a guarantee of peace and good order there — and elsewhere.

International Herald Tribune.
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High Time For New Thinking

By Leslie H. Gelb

NEW YORK — We Americans have an incredible opportunity to think afresh and creatively about the Soviet Union. But first we have to free ourselves from American hard-liners whose wild exaggerations of overall Soviet power contorted Cold War thinking and whose more recent advice, although often wrong and usually contradictory, still holds sway.

Item. Our hard-liners portrayed Mikhail Gorbachev as a new and evil Communist threat in a peace loincloth. In fact, he did everything and more that the West had been demanding for 45 years, from reducing Soviet military power to dismantling totalitarianism and building democracy.

Even if Mr. Gorbachev is not the Joshua to lead his people into the promised land, he is the Moses who freed them from slavery. There is something dreadfully revealing and stifling in hard-line hatred (shared by Russians) of this flawed but courageous and visionary man. Perhaps it is because he represents a central authority they are determined to destroy.

Item. For months before the right-wing coup, many of America's hard-liners laughed off just such a prospect. A transparent ploy by gullible Gorby sympathizers to wheedle Western aid, they scoffed. Only after the fact did hard-liners "remind" us that they knew the coup was coming all the time. Luckily, the Gorbachev reforms allowed Russian freedom fighters to stand their ground.

Item. Under the banner of democracy, our hard-liners have urged the Soviet republics on to independence from Moscow. But it was and is far from clear that most republics would be democratic. Lithuanians had hardly inhaled their first breath of freedom when they exonerated their Nazi wartime criminals.

President Zviad Gamsakhurdia of Georgia is a freely elected despot. Many other republic leaders are old hard-line Communist bandits looking to refurbish dictatorships under the mantle of free elections. Fortunately, President Bush tries to maintain the difference between independence and democracy.

Item. Our hard-liners also told us that Western safety depended on the disintegration of the Soviet Union. But now they conjure up new monsters out of the very broken parts they wished into life. They say danger springs from the newly independent republics, which supposedly will hide away nukes and won't be able to control these weapons as reliably as the old Soviet empire did. So the hard-liners call for a crash deployment of missile defenses to protect us against nuclear attacks by Kazakhs and Ukrainians. Our ultraconservatives never lack flexibility and imagination when it comes to protecting the Pentagon budget.

Item. As for significant Western aid, American hard-liners and others insist that this must await transformation of the country into a free-market nirvana. But such free advice demonstrates monumental ignorance of or malevolence toward Soviet society.

It is folly to say more funds can be left in private hands by demobilizing Soviet troops when they have no homes to go to and no jobs waiting for them. It is silly to say Soviet agricultural production must be expanded by the immediate privatization of collective farms when there is a vast shortage of people willing to till the soil.

Perhaps our free-marketeers would wish to square this circle by the forced privatization of Soviet agriculture, driving millions of soldiers onto "liberated" farms. What Soviet capitalists need most is time and help, not ill- and good-wishers breathing daily down their necks.

But our hard-liners don't want any Russians — not even democrats — to succeed if it means maintaining some centralized power. Our gurus would sacrifice the long-term blessings of democracy to the fleeting benefits of Soviet disintegration.

Then they argue that disintegration itself is a menace. And to guarantee that no one can keep the Soviet Union viable, they insist that Western aid come only after Soviet leaders have turned their country into a kind of free-market paradise found only in Wall Street Journal editorials.

There is no promise for U.S. policy in these impractical and destructive hard-line harangues. Soviet leaders would do well to disregard them.

But they cannot until we ourselves break the hard-line spell that stymies us from doing all we usefully can to sustain a viable democratic union of ex-Soviet republics capable of fulfilling the hopes of the glorious Russian revolution of 1991.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1891: Trouble in China

SHANGHAI — The foreign residents in Ichang, with the exception of the Consul and the Customs officials, have left that town, and taken refuge at Hankow. The gunboats despatched to restore order at Ichang find it impossible to get there, owing to the low water in the river. Some attempts to cause a riot were made at Hankow on Tuesday [Sept. 8] but the disorder was quelled without any fighting. The Department of State has received a cable despatch from the United States Minister at Pekin, announcing rioting at Ichang and the destruction of an establishment belonging to American missionaries.

1916: Exiled Parliament

CORFU — The first meeting of the Serbian parliament, the Skupshtina, was held yesterday [Sept. 11] in the foyer of the Corfu Theatre. Mr. Nikolich, the president, expressed the firm conviction that, thanks to Serbia's powerful Allies, the Central Empires would be crushed. "We have all the same ideal," he said. "That ideal is to return as soon as possible to our beloved country, which has suffered so terribly at the hands of savage invaders. Serbia is devastated, but she is covered with glory and she will emerge from her present trials and sufferings a greater nation."

1941: Navy to Open Fire

WASHINGTON — [From our New York edition:] President Roosevelt warned Germany and Italy tonight [Sept. 11] that from this moment on the U.S. Navy and its planes will fire on sight at Axis war vessels — "the rattlesnakes of the Atlantic" — if they venture into seas vital to American defense. He spoke in unequivocal language that was carried by radio to the four corners of the earth. He declared that in defensive waters the American Navy will no longer wait for Axis raiders or submarines to "strike their deadly blow — first."

OPINION

The Uproar Over Thomas Signals the End of an Era

By George F. Will

WASHINGTON — The Clarence Thomas contretemps inaugurates the post-civil rights era. The primary significance of the Thomas nomination is its merely modest significance: It does not matter mightily to the course of the Supreme Court, and the court matters decreasingly to the solution of serious social problems.

Never before has there been such a disproportion between the controversy surrounding a judicial nominee and the probable consequences of his confirmation. Of the Supreme Court's 64 decisions last term involving substantial written opinions, only 11 were by 5-4 votes. Thurgood Marshall, whom Judge Thomas will replace, voted with the four-person liberal minority in six. Replacing him with a liberal rather than Judge Thomas would not alter the pattern of liberal defeats in this era when 5-4 liberal victories are rare.

When Robert Bork was nominated in 1987 to replace Lewis F. Powell, who often cast a swing vote in crucial decisions of the closely divided court, the court's composition hung in the balance, and Democrats could hope that the conservative era in presidential politics would end when the Reagan administration did. Today, however, political probabilities indicate five more years of a Republican administration, and actuarial tables indicate that the administration will have an opportunity to make additional conservative nominations. The court's shape is set for the foreseeable future.

The intellectual balance of politics regarding social reform is changing.

Why, then, the sound and fury against Judge Thomas? What does it signify, about him and these times? One answer is that liberals, impotent in presidential politics, have been reduced to a merely blocking agenda, and to ideological grandstanding against the judicial consequences of their protracted irrelevancy in presidential politics.

But the primary reason for fierce liberal opposition to Judge Thomas is that his nomination comes at a moment when the intellectual balance of American politics regarding social reform generally, and race in particular, is changing. The focus of thoughtful people is shifting away from the strategy of establishing new individual and group rights by litigation and judicial fiat, and toward the political process of creating social settings that nurture character.

Never before has a Supreme Court nominee been so much defined by his persona — by his biography more than his philosophy. Some previous nominees have carried powerful symbolic significance — Justice Marshall, nominated in 1966, was the first black; Louis Brandeis, in 1916, was the first Jew. Judge Thomas's nomination is highly charged with symbolic meaning because of the relationship between what he is and what he thinks.

He is a product of remarkable upward mobility. He thinks there is only modest potential for judicial remedy of social ills, because courts are instruments of limited utility and because judges' powers, properly understood, are narrower than many recent justices have thought.

The civil rights era, accurately described, featured attacks on legal impediments to black participation in the nation's civic and economic life. The era featured enactment of legislation opening access to schools, voting booths, workplaces and public accommodations. The defining principle of the era was that blacks and whites should be treated alike and as equals.

The moral and intellectual decline of the civil rights impulse was signaled in 1968 when the Kerner commission, appointed in response to the urban riots, declared that blacks, unlike the immigrants who prospered in earlier times, could not achieve unassisted upward mobility because entry-level jobs were disappearing. That false prognosis bred a disastrous moral stance.

The prognosis was refuted, as Michael Barone of U.S. News & World Report notes, by the most prodigious job creation in world history. In the 20 years after the Kerner commission, the number of American jobs increased 50 percent and waves of Asian and Hispanic immigrants began rising through entry-level jobs.

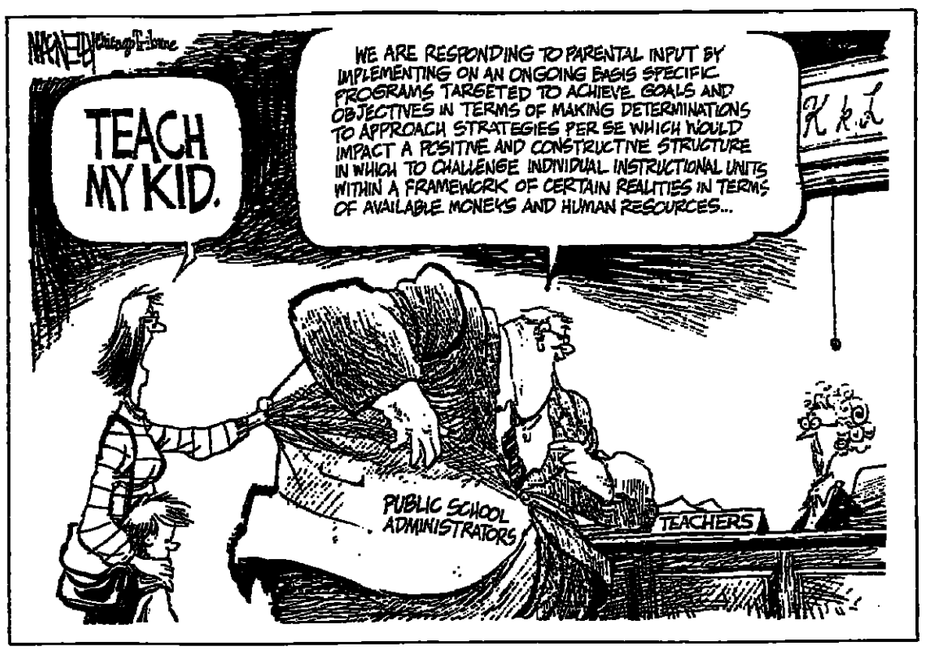
The Kerner commission's moral stance was, implicitly, that blacks should be treated as a crippled community, as dependent wards of a government dispensing racial preferences and other group rights and entitlements. Today's civil rights lobby, which is leading the charge against Judge Thomas, is composed of people comfortably situated as brokers of these benefits.

Whatever the reason why a majority of black babies are born to single women, the reason is not the economy's failure to produce jobs. And whatever the cure for this crisis of family decomposition might be, the cure is not more litigation about individual rights.

Laws can contribute to the creation of the complex social ecology of nurturing families and civic habituation. But that is primarily the business of political policy, and of persuasion, not of the adversarial clash of competing claims to rights, resulting in judicial fiat.

The fierce contention about Judge Thomas's confirmation reflects the unwholesome centrality of courts in America's recent governance. The importance of Judge Thomas is that he knows better.

Washington Post Writers Group.



LETTERS TO THE EDITOR

Ineligible for Nuclear Arms

The Soviet Union is bound by the Nuclear Nonproliferation Treaty not to pass on nuclear weapons to any other state. The demise of the Soviet Union as such can only imply the dismantling of the Soviet nuclear arsenal in its entirety, and any government of a former Soviet republic declaring its independence from the union automatically incurs an international commitment to nonnuclear-weapon status.

This should be communicated forcefully to Boris Yeltsin. The West has not patiently negotiated nuclear disarmament with the Soviet Union for decades, only to face the potential emergence of several nuclear-armed adversaries, or nuclear forces in the hands of a leader like Mr. Yeltsin, whose commitment to nuclear disarmament (unlike Mikhail Gorbachev's) is questionable.

PETER LOMAS.
Brussels.

Subcontinental Drift

The ethnic violence overtaking countries like Yugoslavia should serve as a lesson to the communal hawks in India and Pakistan who believe that such deep-rooted aspirations can be suppressed by force of arms. And as in the Soviet Union, the first step for India, Pakistan and Sri Lanka must be the ceding of effective federal control by the center to the respective states and ethnic minorities. Decentralization of power and voluntary association is the only way to diffuse the ethnic and linguistic tensions that rumble like volcanoes in Punjab, Kashmir, Assam and other parts of India, in the Pakistani states of Sind, Baluchistan and the Northwestern Frontier Province, and in Sri Lanka.

Mikhail Gorbachev's plight should also teach us that merely strengthening the South Asian Association for Regional Cooperation (SAARC) will not do, as it could neither provide its members with the effective security of joint defense nor stimulate interregional trade without a common currency. In the manner of the European Parliament, a common legislature will be needed, in which all the South Asian states as well as the ethnic groups within each country are adequately represented.

Such a political arrangement will reassure smaller countries that India will not dominate them. Theirs are much like the fears that EC countries harbor about Germany or the minorities in the Soviet Union about Russia. Only such confidence-building measures would halt the arms race and clandestine proliferation of nuclear arsenals in the subcontinent, thus enabling all the SAARC countries to live in peace and fully concentrate resources on removing the curse of poverty, our greatest enemy.

MADANJEET SINGH.
Paris.

The writer, a former Indian ambassador, is a special adviser on cultural affairs to the director-general of UNESCO.

The Cost of Good Health

The report "U.S. Medical Costs Are Rising Further, Setting Off Alarms" *(Aug. 26)* states that greater use of high-technology techniques is a primary reason for rising costs.

During a recent visit to the United States I had emergency laser treatment for an eye problem. The bill for a 30-minute session: $1,650.

Upon my return to Geneva, I had additional laser treatment, with higher-tech equipment than used in the United States. Cost: $420.

The reasons I am given for this shocking difference are malpractice insurance and legal costs.

The U.S. government, as part of its stated reasons for denying Medicare to Americans living overseas, says that the primary difficulties in extending Medicare services abroad are "(1) determining reimbursement rates for foreign services; and (2) ensuring compliance with Medicare standards by foreign medical personnel and facilities."

Perhaps the United States should look to Europe for techniques to contain health care costs, while extending Medicare to Americans resident abroad.

EUGENE B. ABRAMS.
Cologny, Switzerland.

Not a Sporting Event

In response to the report "As Hawaii Plans Pearl Harbor Ceremonies, Anti-Japan Feelings Are Flying High" (Sept. 2):

It is time Americans stopped complaining about Pearl Harbor. The Japanese attacked by surprise, mistakenly thinking that they could protect and advance their national interests. The attack was brilliantly planned and executed. The surprise was the fault of American complacency. The resulting deaths and destruction thus had two causes, of commission and omission. War is not a sporting event, as America's own subsequent actions have shown.

ALFRED M. ROSSUM.
Paris.

Feels a Lot Like Old Times, But Watch That Highway

By Alison Langley

BUDAPEST — I remember sitting next to my sisters on the back steps just off the kitchen, shucking corn.

Every few minutes, I scoop up the piles of ears we have accumulated and carry them indoors to my mother, who ceaselessly darts her eyes between the second hand on the yellow plastic kitchen clock and the large black pot of boiling corn. My father plucks already-blanched cobs from their ice bath, bags them five to a sack and speeds down to the basement freezer.

Our annual harvest of corn, bought from a local framer, was a rite of fall.

MEANWHILE

The corn tasted sweet and warm in the dead cold of a Minnesota February, and made a fresh change from our usual fare of winter vegetables.

In the early 1970s, though, Highway 12 was extended and widened, making it easy for us to bypass Ted's Market in Long Lake and shop instead at the large supermarket the next town over. Each winter the supermarket offered an even larger variety of fresh vegetables than the year before. Eventually we stopped freezing corn, and Ted's turned into a 7-11 store.

Now I sit on my own back steps teaching the art of shucking corn to my 2-year-old daughter. I no longer live in the United States, but in Hungary. We are freezing corn and canning tomatoes so that we'll have a break from the monotonous supply of cabbage, beets and leeks we nibbled last winter.

The family arrived in Budapest last fall and learned that Hungary in the winter of 1990 was a lot like Long Lake, Minnesota, in the 1960s.

As the winter plodded on, the carrots became increasingly limp and the potatoes shriveled. The supply of broccoli died out just after Christmas, cauliflower a few weeks later.

By spring, I could use only about half of an onion, because the core was usually a soggy, unusable brown. Up until July, fruit stands continued to offer last year's apples.

Fresh fruit and vegetables are not the only cyclical foods. Locally grown oat flakes lasted only part of the winter, and raisins until about May.

Fruit juice has not been readily available since June. Apparently we must wait until this year's apples, pears and grapes are harvested.

A British friend, who arrived in Budapest this spring, says she appreciates more her local Sainsburys back home. Now she makes do, and like the rest of us she hoards when items are plentiful.

We often visit three or four stores in search of a missing item of food. News of a found item spreads like a piece of hot gossip: Someone knows of an ABC market that has apple juice. I drive there that day if I can; chances are the juice won't last beyond the week.

Still, things are not as bleak as they seem. Last year, when local oat flakes were eaten up, a German brand filled the shelves after a few weeks' wait. About a month after raisins, in their tiny red-and-white packets, were gone, plump California raisins appeared. My neighbors say that before, when the economy was planned and socialist, once the local supply was exhausted nothing replaced them.

These new imports don't get swept up as fast as the local items because the imports are double, triple, sometimes quadruple the price and well beyond the budget of most Hungarians. We are asked to pay so much not just because import taxes and transportation fees are factored in, but because crafty wholesalers and shop owners have devoured the new rules of supply and demand.

Some vegetables were imported last year in time for Christmas and available at privately owned stands at precious-metal prices. A juicy bell pepper cost more than a dollar; an eggplant was close to three dollars.

So that is why women in Hungary still spend their summer vacation canning, freezing and storing. I have learned the Hungarian technique of wrapping up the hot jars of apricot jam in newspaper and bundling them up in a feather duvet for 24 hours, rather than processing them in boiling water. The Hungarian way not only saves energy but keeps the temperature down in the kitchen on hot afternoons.

My daughter and I pick tomatoes from the plants we grow in the yard and process them in liter jars. Even stewed, they will taste better in January than pale winter tomatoes picked from a hothouse, which cost 500 forints (about $6.50) a kilo last year. The corn we buy at the farmers' market for 8 forints an ear won't be seen again until next year, regardless of price.

Soon enough, all this will be unnecessary. Like Long Lake 20 years ago, the highway between Budapest and Austria is being extended and widened from two lanes to four. Soon the supermarkets will start carrying a variety of fresh, affordable vegetables year-round. The women of Hungary won't have to shuck corn for freezing anymore.

Alison Langley, a free-lance writer, contributed this essay to the International Herald Tribune.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

OIL&MONEY

LONDON, NOVEMBER 11 – 12, 1991

The 12th annual conference co-sponsored by the International Herald Tribune and The Oil Daily

NOVEMBER 11

09.00 KEYNOTE ADDRESS
H.E. Nordine Ait Laoussine, Minister of Energy, Algeria*

10.00 SHORT AND LONG-TERM WORLD OIL OUTLOOK
Moderator: **Herman T. Franssen,** Economic Advisor of H.E. the Minister of Petroleum & Minerals, Oman
Pedro Haas, Director General, P.M.I. Comercio Internacional S.A., Mexico City
Cyrus H. Tahmassebi, Chief Economist and Director of Market Research, Ashland Oil Inc., Washington, D.C.

11.15 Coffee

11.45 OIL COMPANY PERSPECTIVES IN THE 90s
UPSTREAM: **John S. Jennings,** Group Managing Director, Royal Dutch/Shell Group of Cos., London
DOWNSTREAM: **Robert H. Campbell,** President and Chief Operating Officer, Sun Co. Inc., Radnor, Penn.

13.15 Lunch

14.30 OPEC AFTER THE GULF WAR
Moderator: **Marshall Thomas,** Editor and Publisher, The Oil Daily, Washington, D.C.
Prof. Dr. Subroto, Secretary General, OPEC, Vienna**
Alirio Parra, Senior Advisor to the Chairman, Centre for Global Energy Studies, London
Helga Steeg, Executive Director, International Energy Agency, Paris
Mehdi Varzi, Director, Energy Research, Kleinwort Benson Securities Ltd., London

16.00 Tea

16.30 THE NEW GEOPOLITICS OF OIL
Hermann F. Eilts, Former U.S. Ambassador to Saudi Arabia and Egypt, and Chairman, Department of International Relations, Boston University, Boston
Eugene M. Khartukov, Chief of World Energy Analysis and Forecasting Group, GAPMER, Moscow
John A. Shaw, Associate Deputy Secretary, Department of Commerce, Washington, D.C.

18.00 Cocktail Reception – Hosted by the New York Mercantile Exchange

NOVEMBER 12

09.00 FINANCING THE OIL INDUSTRY IN EASTERN & CENTRAL EUROPE
Ronald M. Freeman, First Vice President, Merchant Banking, European Bank for Reconstruction and Development, London

09.45 MEETING THE OIL NEEDS OF THE 90s
James H. Ross, Chairman and CEO, BP America Inc., Cleveland
Alfred C. DeCrane Jr., Chairman, Texaco Inc., White Plains, NY

11.15 Coffee

11.45 OIL: WHERE THE MONEY IS IN THE 90s
Moderator: **Nicholas G. Voûte,** Oil Consultant, London and The Hague
Jan R. Prins, Senior Vice President and Head, Project & Energy Finance Group, ABN AMRO, Amsterdam
William L. Randol, Senior Petroleum Analyst, CS First Boston Inc., New York
Arthur L. Smith, Chairman and CEO, John S. Herold Inc., Greenwich, Conn.
Terry A. Davies, Vice President, Purvin & Gertz Inc., London

13.30 Lunch – Co-Hosted by the International Petroleum Exchange

14.45 KEYNOTE ADDRESS
H.E. Gholamreza Aghazadeh, Minister of Petroleum, Islamic Republic of Iran**

15.30 CHANGING PATTERNS OF OIL TRADING
Moderator: **Diane Munro,** Managing Editor, Oil Daily Energy Compass, London
Andrew Hall, President, Phibro Energy, Greenwich, Conn.
Herman J. P. Krul, Director, Cargill International S.A., Geneva
Neil West, Director, J. Aron & Co. (U.K.) Ltd., London

17.00 Close of Conference

* Accepted in principle ** Subject to confirmation

The sponsors reserve the right to amend the program.

REGISTRATION INFORMATION: The fee for the conference is £650, plus VAT at 17.5%. This includes lunches, a cocktail reception and post conference documentation. Fees are payable in advance and will be refunded less a £65 administration charge for any cancellation received in writing on or before November 1, after which time we regret there can be no refund. However, substitutions can be made at any time.

CONFERENCE LOCATION: Inter-Continental Hotel, 1 Hamilton Place, Hyde Park Corner, London W1. Tel: (4471) 409 3131. Fax: (4471) 493 3476. A limited number of rooms has been reserved for participants at a preferential rate. To reserve accommodation, please call the hotel and quote reference number HER 0911.

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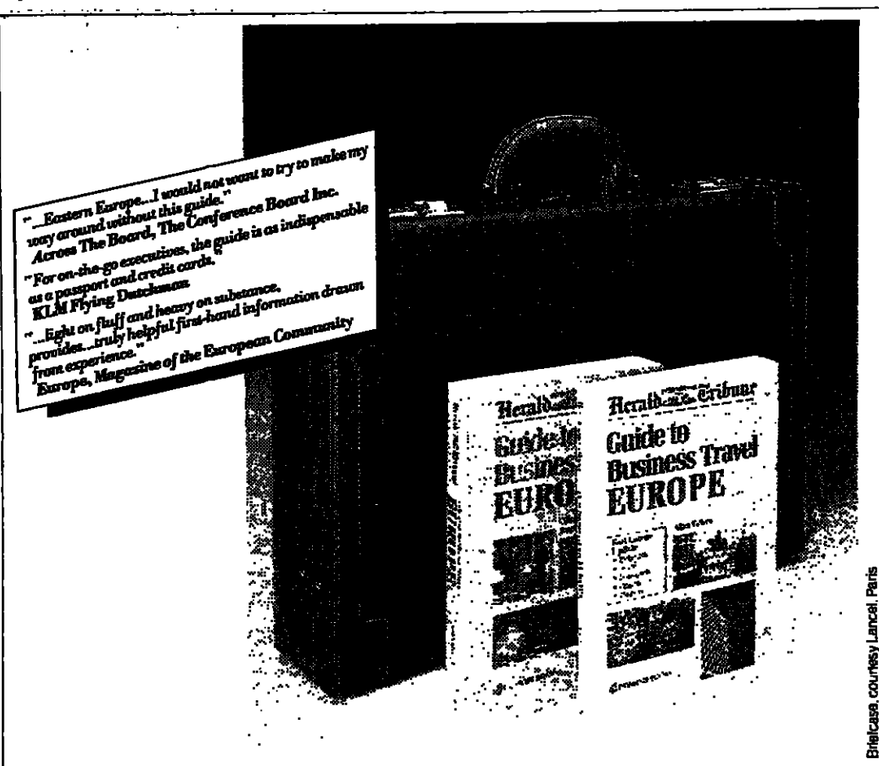

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HEALTH / SCIENCE

Inertia Stokes Spread of Hepatitis B

By Jane E. Brody
New York Times Service

TEN years after an effective vaccine was licensed against it, hepatitis B continues to spread, largely because of ignorance and inertia.

The hepatitis B virus can cause a debilitating liver infection that lasts for weeks or months and has no known cure or effective treatment. Some victims are left with a chronic liver infection, a lifelong ability to spread the disease and as much as a 200-fold increase in the risk of developing liver cancer.

Even more distressing is that half the people infected with the hepatitis B virus develop no apparent symptoms, yet a significant number remain contagious for life, unwittingly spreading liver disease.

Like HIV, the virus that causes AIDS, the hepatitis B virus, is spread through blood contact with virus-containing body fluids. Also like HIV, the most common route of transmission is sexual intercourse.

But the hepatitis virus is 100 times as contagious as HIV and may be spread through a shared toothbrush, razor or by kissing in which there is an exchange of saliva.

Until now, the hepatitis B vaccine was recommended only for people who face a particularly high risk of infection: health care and emergency workers who may come in contact with other people's blood and body fluids; users of intravenous drugs; people on kidney dialysis (who are repeatedly exposed to intravenous treatment); newborns whose mothers are infected; residents and staff members of institutions for retarded people (where there is danger of bites) and sexually active adults likely to have more than one sex partner in six months.

But fewer than 1 percent of such sexually active adults have been vaccinated, and even among doctors who are likely to be exposed to the hepatitis virus by the patients they treat, only about half have been protected.

Although the incidence of the disease continues to rise worldwide, cases in the United States seem to have stabilized. This is largely because of a decline in hepatitis among homosexual men, many of whom have changed their sexual practices in the hope of avoiding AIDS.

But cases are increasing at a frightening rate among other people, particularly sexually active heterosexuals, most of whom are unaware they are at risk.

Faced with the failure of conservative vaccination guidelines and other measures to contain the spread of hepatitis, the Federal Centers for Disease Control has adopted a more aggressive stand.

Half the people infected with hepatitis B virus develop no apparent symptoms.

The Centers now recommends that every baby be vaccinated against hepatitis B, just as babies are routinely protected against diphtheria, whooping cough, tetanus, polio, measles, mumps and rubella. It also recommends vaccination for "high-risk adolescents," those who have had two or more sexual partners in the last six months.

But it will be 15 to 20 years before this public health measure can significantly affect the incidence of hepatitis B, which last year struck some 300,000 Americans and cost the nation an estimated $700 million in medical care and lost productivity.

In the meantime, only preventive measures adopted by older children and adults can stem the spread of hepatitis B.

Nearly anyone, not just health care workers, recipients of blood transfusions and homosexual men with multiple partners, can acquire this potentially fatal infection, which used to be called serum hepatitis.

Dr. Hie-Won L. Hann, director of the Liver Disease Prevention Center at Thomas Jefferson University Hospital in Philadelphia, has listed more than a dozen groups that are at especially high risk.

Among them are the people who live with the 1.2 million Americans who are chronically infected with the hepatitis B virus and heterosexuals with multiple partners or whose partners have multiple partners.

Dr. Hann said many more than 10 million heterosexuals fall into the high-risk category. Yet, only 3 million to 5 million Americans have been vaccinated. She added that adolescents were particularly at risk because they tend to have sex more often with more partners and because most do not use condoms.

As with the AIDS virus, wearing a condom can largely prevent transmission of the hepatitis virus through sexual contact.

The hepatitis B virus is as easily spread from women to men as from men to women. In infected people, the virus can be found in large numbers in saliva, vaginal secretions and semen, as well as in the blood.

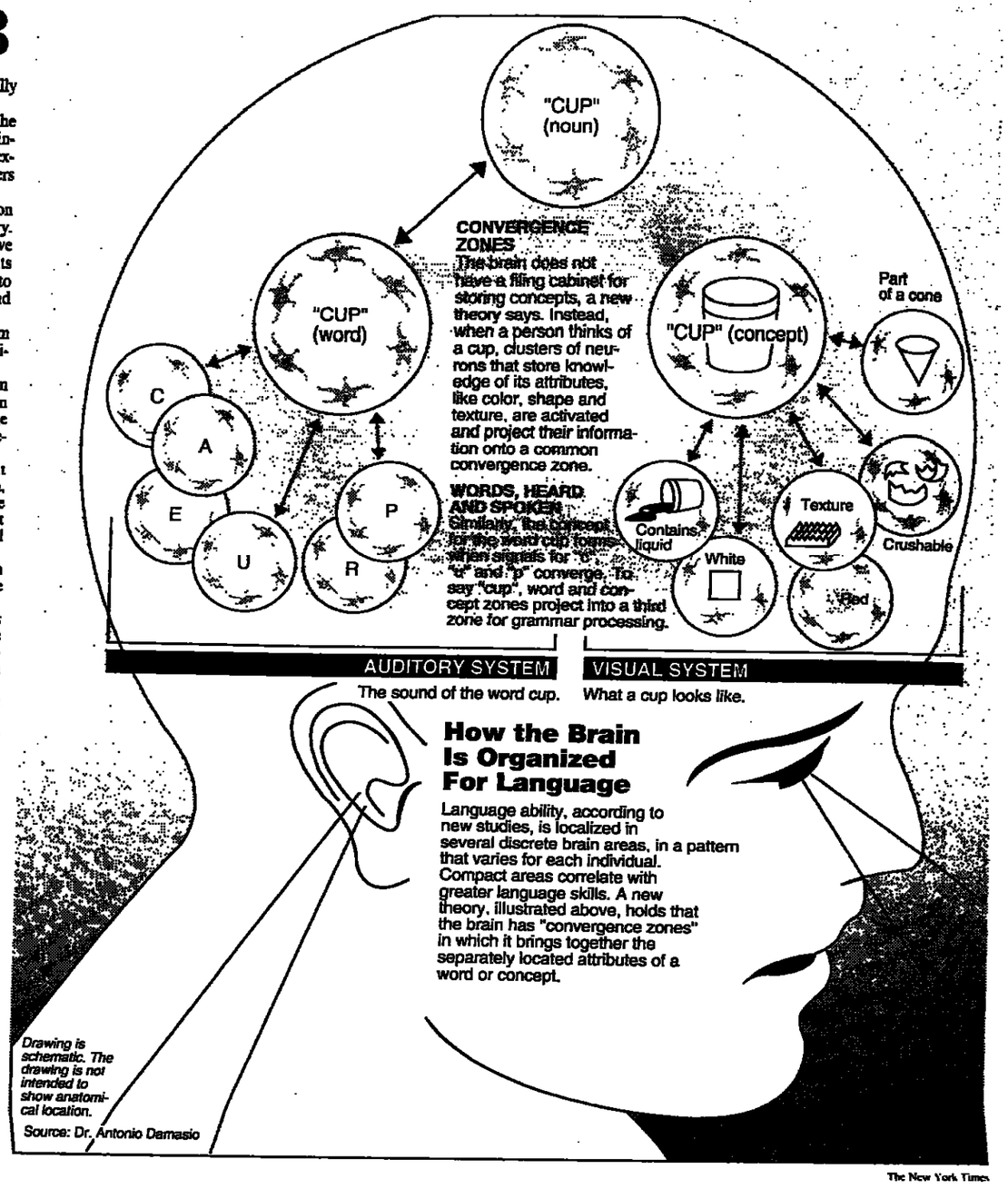
Dr. Raymond S. Koff, chief of hepatology at Framingham Union Hospital in Framingham, Massachusetts, said 90 percent of doctors are unaware of the risk to heterosexuals and do not question their patients about high-risk sexual activity.

It is also possible to contract hepatitis B from contaminated dental equipment, acupuncture needles and tattooing and manicuring tools.

Visitors to countries where hepatitis B is endemic, including most of Asia, could become infected through sexual contact or if they require medical care and are injected with a "reused" hypodermic needle.

Dr. Koff said the hepatitis virus can survive for as long as seven days, even on a dry surface, so that the only sure protection is through the use of adequate sterilization techniques or one-time-only disposable equipment or through vaccination.

The high cost of the vaccine, currently $120 for a three-dose sequence, is one reason universal vaccination of all adults and children is not being recommended. Medicare and some private insurers provide coverage, but most insurance policies do not.



Euthanasia: Who Chooses to Die?

By Marlise Simons
New York Times Service

AMSTERDAM — Mercy killing and assisted suicide of the terminally ill have been practiced more openly and tolerated more widely in the Netherlands than in any other country.

Yet after almost two decades of quietly accepting requests for mercy killing or suicide as a patient's right, the Dutch knew little about who was choosing to die, why they sought death and who was helping them obtain it.

Now researchers have begun to answer these questions, with sometimes startling results. Patients asking for a doctor's help to kill themselves are typically cancer patients in their early 60s who fear "dependence, loss of dignity, humiliation and pain," a new study shows.

The physician who applies the euthanasia in most cases is the family doctor and most of such deaths take place at home, the study says.

Men and women seek to commit suicide in about the same numbers, the researchers found, and people in their 70s and 80s are far less likely to seek death than those a few years younger.

The researchers, from four Dutch universities, studied people who requested euthanasia or help in suicide from 1986 to 1989. Their study is the first far-reaching investigation of an area in which reliable information is hard to come by, said Gerrit van der Wal, a public health inspector and one of the study's authors.

Euthanasia is explicitly forbidden by law, he said, adding, "It's a very emotional event for everyone and it's often done in secrecy."

To conduct the study, reported in the current issue of the weekly Netherlands Journal of Medicine, the researchers sent anonymous questionnaires to 1,042 general practitioners.

Among the 676 physicians who responded, 388 provided extensive details of cases in which they had cooperated to end a patient's life. Of these, many had helped two or more patients kill themselves.

Most deaths had come about through voluntary euthanasia, which the researchers defined as the physician personally killing the patient at his or her explicit request. Usually, the doctor injects a large dose of barbiturates to bring on coma, following it with an injection of curare to stop the breathing and the heart.

In the case of assisted suicide, the doctor prescribes or provides a large dose of barbiturates which the patient takes with or without the presence of the physician.

As for the patients, 85 percent were cancer patients in the final weeks of their life. The remainder included sufferers of AIDS, multiple sclerosis or other forms of paralysis.

Heart or cardiovascular diseases, even when known to be painful and deadly, were only rarely a motive to choose death.

The researchers said they were surprised to discover that requests to die were less common among older patients. The average age was 63 years for men and 66 for women.

Euthanasia and physician-assisted suicide were rare above the age of 75 and very rare above 85, the researchers found.

They said it was possible that older people were better able to accept or tolerate the effects of disease. They said further that the older generation might be less informed or less assertive when it comes to requesting euthanasia.

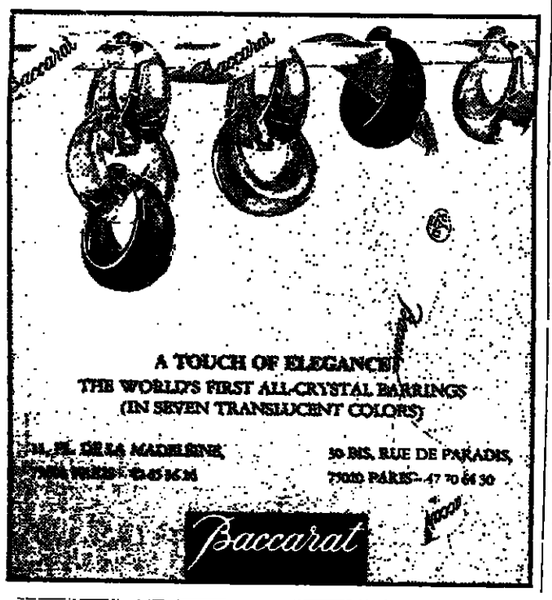
Men and women requested euthanasia or help in committing suicide at about the same rate. Among men, the largest group suffered lung or bronchial cancer and among women, those with breast cancer made up the largest group. Close to 3 percent of the men had AIDS.

While no official statistics are available, the researchers said they had strong indications that doctors in the Netherlands help about 3,000 patients to die every year.

THIS is less than half of the estimates for euthanasia and assisted suicide that have been widely accepted so far. Of these 3,000 deaths, about 2,000 happen at home and the rest in clinics and hospitals, Mr. van der Wal said.

Cases in nursing homes, he said, are few, no more than 25 per year. The lower numbers in institutions, he added, "may be because the number of people treating a patient is larger and social controls are stronger."

But the research also indicated that the demand for euthanasia was far greater than its application. The study showed that while doctors in the home practiced mercy killing or assisted suicide about 2,000 times a year, they received at least 5,000 requests. The law calls for 12 years' imprisonment for anyone who "takes the life of another at his or her explicit and serious request," but no doctor has been penalized in such a case in more than two decades.



How Talk Becomes Language

By Sandra Blakeslee
New York Times Service

CHRISTOPHER, who is 29, cannot draw simple figures, add two and two or tie his shoes. Yet he speaks 16 languages, half of them fluently.

Adam, 28, is a stroke patient. He can name man-made objects like saws, screwdrivers and shovels, but the stroke has left him unable to name most animate objects. The curious result is that ducks, foxes, camels and zebras are indistinguishable to him.

Carla, 22, grew up speaking both her native Italian and English. When she began training to become a simultaneous translator, her language ability was localized on the left side of her brain. But after the training, English shifted to her right brain while Italian remained on the left.

Study of special individuals like these, together with sophisticated new instruments, have afforded a startling new insight into how the brain is organized to handle language.

Neurophysiologists are beginning to suspect that there is not a single center for language, but rather that the brain distributes language processing over some or many areas.

The finding has prompted new ideas about how the brain thinks, including a provocative theory that proposes the brain has "language convergence zones" in which it brings together the separately located attributes of a word or concept.

Among the most interesting new findings about the brain and language are the following:

- Language is not located where people previously thought it was. Rather, each individual has a unique brain pattern underlying his or her language ability. Women tend to have patterns that result in greater verbal IQs than men.
- Like the Cray computer, a person's first language is tightly organized in terms of nerve cell circuits. Second languages are more loosely organized in the brain, which is why it often takes longer to find words in them. But a stroke in one part of the brain can knock out a native language and leave later learned languages intact — or vice versa.
- Different aspects of language, such as proper nouns, common nouns and irregular or regular verbs, are processed in different areas of the brain.

The most direct insights into the brain's organization for language come from neurosurgeons who take the opportunity to record nervous activity in patients' brains during operations. By mapping the location of nerve cells that produce language, the neurosurgeons are revolutionizing established notions of how language is organized in the brain.

The traditional view holds that spoken and written language are processed in two structures, Broca's and Wernicke's areas, found on the left side of the brain. The right side of the brain was believed to handle spatial tasks and not to be involved in language.

But the brain's language areas are not so neatly compartmentalized, said Dr. George Ojemann, a neurosurgeon at the University of Washington in Seattle who is a leading brain mapper.

While it is true that most people have essential language areas on the left side of their brains, he said, some people have them on the right side and others on both sides.

Dr. Ojemann maps language areas in the brains of conscious individuals whose skulls have been opened prior to surgery. In one technique he maps the language-associated area by sticking electrodes into nerve cells on the exposed surface of the brain.

In another, he inserts electrodes at random into cells deep within the brain so as to identify the distant nerve cells, or neurons, involved in naming objects.

After probing hundreds of brains, Dr. Ojemann has found that essential areas for naming things in one's native language are more compactly organized than those for later learned languages. Second languages tend to be diffusely organized, he said, as if neurons devoted to the new language were competing for space in existing essential areas.

One of the most fascinating pieces of evidence that bear on the debate is the case of Christopher, an idiot savant whose remarkable linguistic abilities support the idea of language as a separate organ.

Christopher is socially inept, avoids eye contact and has a nonverbal IQ of 65, said Neil Smith, a linguist at University College London in England.

Christopher cannot draw simple figures, carry on a very long conversation nor care for himself in the everyday world. Yet has has learned 16 languages and is a gifted translator. Mr. Smith recently tested Christopher's grammatical knowledge of foreign languages and found him on a par with gifted polyglots.

But further tests reveal that Christopher's language abilities are independent of his cognitive abilities, Mr. Smith said. He never dwells upon the meaning of passages and is not able to think about what he translates, he said.

DR. Antonio Damasio, a neurologist at the University of Iowa, has developed a theory of cognition and language that is receiving rave reviews from linguists and neuroscientists.

The brain has special areas for processing language very much along the lines of Dr. Ojemann's essential areas, Dr. Damasio said.

But these areas do not constitute an independent language organ with little boxes where nouns, verbs and other language features are processed, he said. Rather, the essential areas can be thought of as "convergence zones" where the key to the combination of components of words and objects is stored. Thus knowledge of words and concepts is distributed widely throughout the brain but needs a third-party mediator — the convergence zone — to bring the knowledge together, during reactivation.

An example helps explain this difficult concept, Dr. Damasio said. "When I ask you to think about a styrofoam cup," he said, "you do not go into a filing cabinet in your brain and come up with a ready-made picture of a cup. Instead, you compose an internal image of a cup drawn from its features. The cup is part of a cone, white, crushable, three inches high and can be manipulated."

The same process is true of words, Dr. Damasio said. "When I ask you to tell me what the object is, you do not go into a filing cabinet where the word 'cup' is stored. Rather, you use a convergence zone for the word 'cup' by activating distant clusters of neurons that store the phonemes 'c' and 'u' and 'p'. You can perceive their momentary revival in your mind's ear or allow them to activate the motor system and vocalize the word 'cup.'"

To read, speak or make other lexical operations about a styrofoam cup, the brain requires a third-party convergence zone that mediates between word and concept convergence zones, the scientist said. "Only then can we operate linguistically and evoke the word from the concept or vice versa," Dr. Damasio said.

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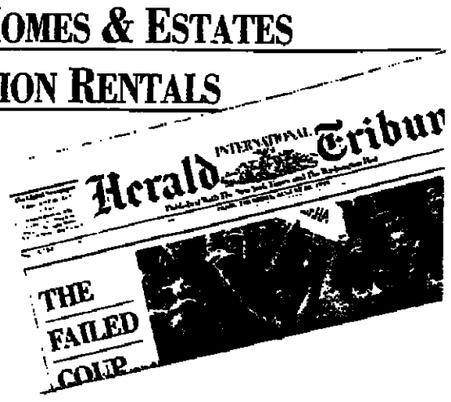

IN BRIEF

The Savvy Shopper Is Exposed as Myth

Consumers are suppposed to know something about prices, especially those of products they buy every week in the supermarket. Grocers, when they worry about raising prices, and economists, who develop models of consumer behavior, assume such knowledge.

But a new study in the Journal of Consumer Research found that half of all regular shoppers surveyed did not know the prices of common items, guessing the products to be priced at least 15 percent higher than they actually were. These overestimates ranged from a low of 3 percent for ground beef to 54 percent for canned corn.

"We don't carry prices around in our heads like economic theory assumes we do," said Peter Dickson, a professor at Ohio State University and author of the study. "Everyone talks about the free market, but there is still a lot we don't know about how it works," he said.

New Drug for Sepsis Clears U.S. Hurdle

A genetically engineered drug for sepsis moved a step closer to U.S. licensing last week by winning approval from a Food and Drug Administration committee.

The advisory committee found the drug known as HA-1A to be safe and effective in treating a certain type of sepsis, a severe bacterial blood infection that can quickly lead to shock and death. Sepsis claims an estimated 70,000 Americans each year.

The FDA committee's decision effectively eliminates the last hurdle to licensing HA-1A, a product of Centocor Inc.

ACROSS
1 One-celled animal
6 Lumberman's boots
10 Noah's eldest son
14 Regard highly
15 "—— a man with . . ."
16 —— Alto, Calif
17 Forward
18 Caesar's co-star
19 Shot and shell
20 Mississippi-Missouri, in U.S.A.
23 Kind of dog
24 A basic part of matter
28 Of the backbone
31 Brownish gray
32 Solar disk
33 Mignonette
37 Ovid's 52
38 Boeing 747 manufacturing plant, in U.S.A.
41 Kind
42 Word with Bear or Dog
43 Arrow poison
44 Brother's daughter
46 Labels again
48 Expose to injury
52 Kind of scan
53 Grand Canyon, in U.S.A.
58 Actor Jannings
61 Biblical country
62 Actor in "Love Story"
63 Type of cotton
64 The Venerable ——
65 Lies at anchor
66 The Comans, e.g.
67 Scouse is one
68 Paris's —— polytechnique

DOWN
1 Of grandparents
2 Hawaiian lom cloth
3 Author of "Herzl"
4 Clumsy fellow's problem
5 Poseidon's realm
6 Early Britisher
7 Casanova's delight
8 Capp's Sir —— Cesspool
9 Barrel part
10 Resort in N.C.
11 A brother of 10 Across
12 Ulmaceous plant
13 Low
21 Meager
22 Outward
25 Prevalent
26 Thinks
27 Snow, in Sedan
28 Confrère at Potsdam: 1945
29 Made jaunty, with "up"
33 Leases
34 Wife in Ibsen's "The Master Builder"
35 Your, in Bonn
36 Show the way
39 Santa ——, Ecuadorean peninsula
40 Kind of scale
45 Memorable diva from N.Y.C.
47 Famed Hindu poet: 1861-1941
49 Clutches
50 White-plumed bird
51 British author: 1814-84
54 Diving duck
55 Decorate again
56 Highlander
57 Otherwise
58 Agcy. watching over ecology
59 Wire measure
60 Little demon

Solution to Previous Puzzle

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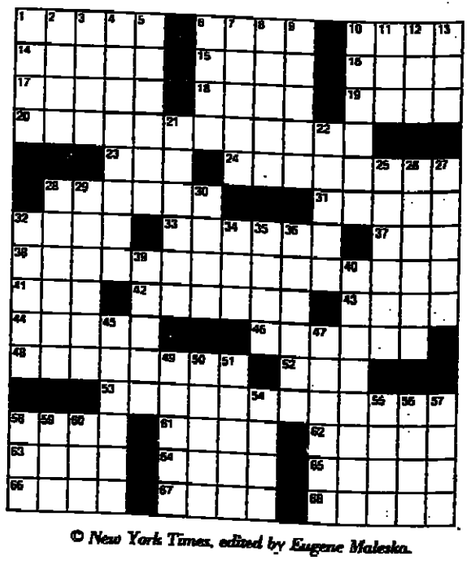

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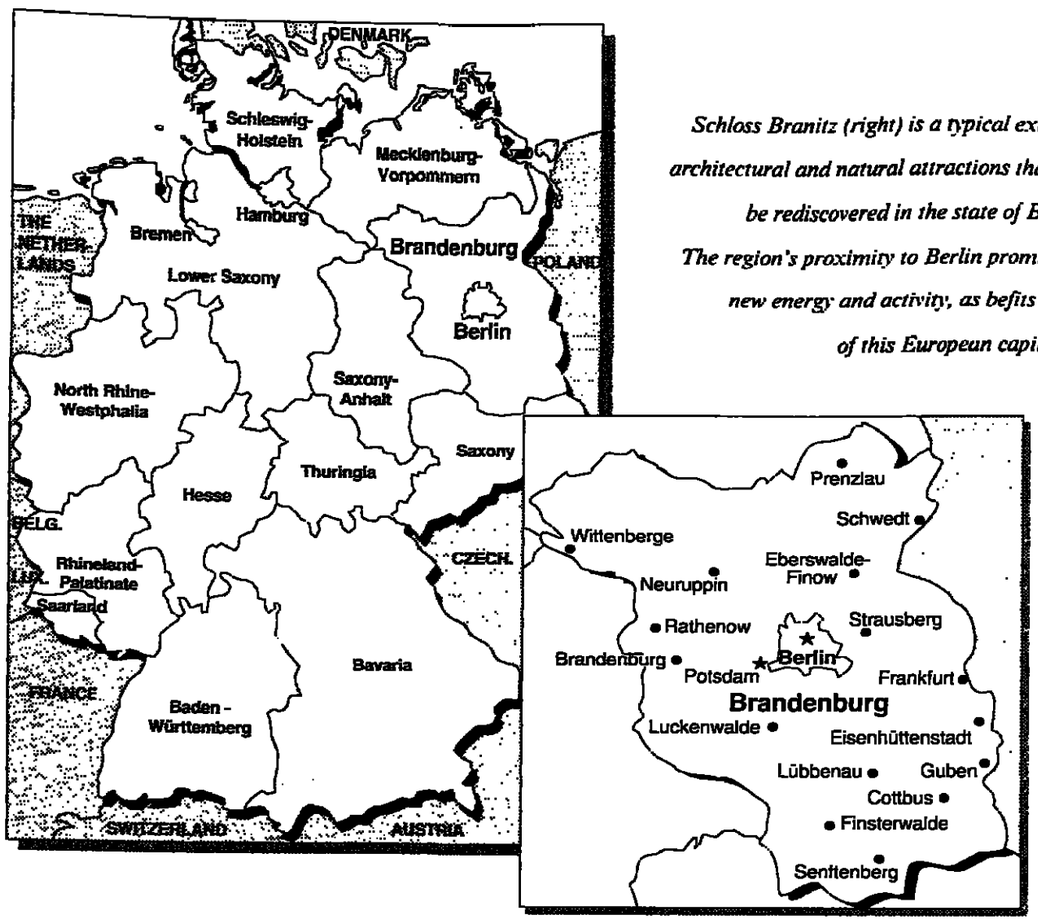
BERLIN AND BRANDENBURG



Schloss Branitz (right) is a typical example of the many architectural and natural attractions that are now waiting to be rediscovered in the state of Brandenburg. The region's proximity to Berlin promises to infuse it with new energy and activity, as befits the hinterland of this European capital.

City and Region Join in New Symbiosis

"The broadest of spaces surrounding the biggest of cities." For 40 years, the traditional description of Brandenburg and Berlin had only a bitter, ironic validity. Now, while the state works at reconstituting itself and the city at joining two very different halves, a fundamental change is occurring in the centuries-old relationship between the city and its surrounding region.

Berlin is providing Germany with a center for the processes of unity and economic development. Brandenburg, in turn, is giving Berlin the space and human infrastructure it needs to master the enormous task at hand.

Brandenburg was East Germany's most expansive area, a thinly populated region of fruit orchards and place-names found in 19th-century novels. Berlin was

Highways and markets are the stages for exercises in Europe's new economy

West Germany's largest city, one whose cultural life was legendary and whose shortest day trips were at least a three-hour drive westward.

Brandenburg and West Berlin were neighbors, a fact the East Germans were confronted with each time they had to circumnavigate the western half of the city to go to Alexanderplatz, "their" downtown.

For West Berliners, whose familiarity with the East might extend at the most to a few *Szenenkneipen* (local artists' hangouts) in East Berlin's Prenzlauerberg section, Brandenburg was an item from Germany's political and cultural past. The West Berliners were dimly aware that "Albert the Bear had founded it, Frederick the Great had ruled from it, and Theodor Fontane had written about it" (quoting an eighth-grade German school rhyme).

Eleven months ago, Berlin — East and West — was consolidated into one federal state. The thousand-year-old "Mark Brandenburg" was reincarnated in another, Brandenburg, whose capital is Potsdam, located across the River Havel from Berlin.

Since then, all and sundry have been beating a path to the city-state: politicians jockeying for position in Germany's new capital, real-estate speculators attracted by soaring property values and investors who do not want to be shut out of Germany and Central Europe's fastest growing market.

Berliners, armed with old guidebooks and spanking new road maps, have been heading out into Brandenburg. On weekends the roads are full of tourists reconnoitering the Spreewald, Brandenburg's bayou area, and such perfect (and unknown) palaces as Marquard or Ribbek.

On weekdays, it is the executives' turn. "We have space," states Manfred Stolpe, Brandenburg's prime minister, and major companies like Daimler-Benz, Siemens, BASF, Heidelberg Druck and Veba have not been slow to notice. Thanks to a number of billion-mark investments and the setting up of 10 industrial parks in the area, the Berliner Ring beltway is becoming a synonym for regional gowth.

The cement mixers and surveyors' tripods dotting the ring road provide eloquent testimony to Brandenburg's sudden change in fortune. For 10 centuries, its role as the "nation's sandbox" — a reference to its thin, sandy soil — was the one constant of political life in Germany, whether that Germany was the Holy Roman Empire, a Prussia-led confederation or the German Democratic Republic.

Then came 1989's *Wende*, or great change. Chronic underdevelopment turned out to be an advantage, providing building sites for Berlin and saving Brandenburg from dealing with the twofold problem of industrial restructuring and environmental cleanup. (The cities of Schwedt and Eisenhüttenstadt and the Niederlausitz region were notable and grievous exceptions.)

The poor quality of the soil had also saved wide stretches of the countryside from being planed into the featureless agricultural expanses characteristic of the East German collective farms. Brandenburg's open spaces — it reportedly has more lakes and forests than any other state in Germany — were left to slumber on, awaiting the advent of "green" city-dwellers seeking intact biospheres.

Eastward-bound squadrons of mountain bikes and Mercedes-Benz sports cars are not the only vehicles waking Brandenburg's byways from their somnolence. Every morning, thousands of Ladas and early-model Peugeots bearing Polish and Russian license plates cross the German-Polish border and head westward toward Berlin, 60 kilometers (38 miles) away.

Until two years ago, Brandenburg was marginal, consigned by geography to the role of a backwater in a divided Europe. But no longer. The state's clogged highways and pulsating open-air markets are now the staging ground for highly practical exercises in the new Europe's political and economic interactions.

However, potential advantages do not automatically translate into business attributes. Brandenburg is plagued by the same problems of transition afflicting the rest of Eastern Germany, including high unemployment and underemployment, currently running at 30 percent. It is only thanks to a large catalogue of employment and social support programs, part of the 165 billion Deutsche marks ($228 billion) transferred from West to East in 1991, that social unrest has been kept to a minimum.

Regardless of whether Brandenburg reaches economic self-sufficiency in three or in seven years, the very use of such adjectives as "cosmopolitan," "centrally located" and "large-scale" signifies how far it has come.

No one would have been more surprised at the state's transformation than Frederick II of Prussia, who in the 18th century called Brandenburg "an unremarkable place." On Aug. 17, 1991, his remains were brought to their final resting place — Potsdam's Sanssouci, one of the many wonderful buildings and parks that he had constructed in Brandenburg.

Prime Minister: 'The Fog Has Lifted'

Born in 1936, Manfred Stolpe has been the state of Brandenburg's prime minister since Nov. 1, 1990. After having studied law, Stolpe spent 30 years serving East Germany's activist Protestant Church (the center of organized resistance in the country under the former regime), eventually rising to head the church's council for the Berlin-Brandenburg region.

In a frank and wide-ranging interview, Mr. Stolpe discusses the common heritage and future of Brandenburg and Berlin, Brandenburg's role in building good neighborly relations with Poland and the rest of Eastern Europe and his own personal expectations.

What is the relationship between Brandenburg and Berlin?

We share a common history, one that goes back many hundreds of years and has deep roots, deeper than many people perhaps realize nowadays. By their very natures, Berlin and Brandenburg constitute a single region, complementing each other from the geographical, cultural and even the economic point of view.

The governments of both states have already implemented a number of measures that take this reality into account. We are in the process of founding a joint authority to administer our palaces — Potsdam, Charlottenburg and Rheinsberg, to mention a few — and parks, to give one example. In the area of business promotion we are already working closely with each other.

Berlin simply lacks the space to take on certain kinds of projects. The authorities in Berlin, for their part, are interested in seeing that potential business partners do not leave the area entirely. In such cases, the Berlin authorities go to these businesses and say: "Listen, there is plenty of room in Brandenburg."

We are also planning to sign a number of agreements by the end of the year. These agreements will regulate various matters between the states — everything from waste disposal to traffic planning and development to scientific questions — and will result in the setting up of a number of joint authorities.

In the long run, the only reasonable thing is for both states to unite. There are so many areas of shared, common activities — I once counted them and came up with a total of 54 — that it just makes more sense to handle them within the framework of a single state, rather than splitting them up between two separate ones.

Doesn't this mean major changes for Brandenburg, which has traditionally been rural, underdeveloped and, by German standards, underpopulated?

The fact that we are so thinly populated has proven to be a great advantage. From the tourist's point of view, it means that we have a lot to offer — the largest expanse of woods in Germany, the most lakes and such unique areas of natural beauty as the Spreewald wetlands area. The ministers for the environment, for economics and employment and I are convinced that we can preserve and expand these areas while still having enough room for business development.

Are you developing special relationships with Poland and other neighbors?

The fact that we share 180 miles [290 kilometers] of border with Poland imposes a great responsibility on us. Since the lifting of visa requirements on April 8, 1991, some 5 million Poles have crossed our borders, heading toward Western Europe. Since then, a normal situation has developed.

To facilitate better relations with our neighbors, one focus of ours has been bringing together groups of young people, especially during the summer months. We are currently using two kinds of model programs to bring French, Polish and German young people to Brandenburg. We are planning to further develop this area. As you know, in Brandenburg there is a long tradition of contacts with France. The French, or rather the Huguenot refugees migrating to Brandenburg, played a large role in bringing culture to this land.

We in Brandenburg need encounters of this kind, to consolidate our feeling of identity and to boost our confidence.

Eastern Europe represents both a responsibility and a chance for us. The openness with which we Germans have been welcomed in Poland has nearly put me to shame. The Poles have reasons enough to greet us with raised fingers. Instead they say: "We are neighbors in a united Europe; let's make the best of the situation."

In October, we will be holding a joint conference on economic matters with Polish regional authorities and the national government. We have invited Poland to

Continued on Page 10

The State of Brandenburg

Refounded: Oct. 1990
Prime Minister:
Manfred Stolpe
Population: 2.64 million
Area: 29,059 square kilometers (11,600 square miles)
Capital: Potsdam
(pop. 141,000)
Major cities:
Cottbus (pop. 129,000)
Brandenburg (pop. 93,000)
Frankfurt an der Oder
(pop. 87,000)

● General Information
Heinrich-Mann-Allee 107
D-O-1561 Potsdam
Tel: (49-30) 816 94 253
Fax: (49-30) 802 21 86

● Ministry of Economics, Medium-Sized Companies and Technology
Walter Hirche, Minister
Heinrich-Mann-Allee 105/107
D-O-1561 Potsdam
Tel: (37-33) 367 07
Fax: (37-33) 365 23

● Wirtschaftsförderung Brandenburg GmbH (investment incentives organization)
Euro-Info-Centrum
(information on EC investment and infrastructure support programs)
Mangerstrasse 39
D-O-1560 Potsdam
Tel: (37-33) 235 81
Fax: (37-33) 235 82

● 'pro Brandenburg' e.V.
(facilitates investments and services for public and private-sector clients both from Brandenburg and outside the state)
Schloss Sacrow
D-O-1568 Sacrow
Tel: (49-16112) 163 68
(37-33) 234 87

● Treuhandanstalt Potsdam
(public-sector trust holding all nonprivatized assets in Eastern Germany)
Am Bürohochhaus 2
D-O-1581 Postdam
Tel: (37-33) 85 07 25
Fax: (37-33) 802 50 62

For Brandenburg, It's Out of the Backwater, Full Speed Ahead

Sandwiched between the booming city of Berlin and the thriving border with Poland, armed with investor interest from the West and developing markets in the East, Brandenburg is experiencing a remarkable industrial upswing.

There are a lot of big numbers flying around Brandenburg these days: 12 billion Deutsche marks ($21 billion) in outside private-sector investment, 50,000 new companies founded in the state, 6,260 new occupational training programs for the state's unemployed.

A new airport will be started in 1993

Everywhere one looks, from the halls of Brandenburg's state administration building in Potsdam to Wittenberge in the far northwest, there are projects: creating a model for environmentally friendly energy use in Rheinsberg, reversing industrial blight in Cottbus, reforming the state's school system while retraining its teachers and reeducating textile workers, coal miners, police and hotel keepers.

In this ongoing blizzard of activity and expenditure, one number and one project stand out. By the year 2010, between 20 and 40 million people will be using a totally new airport. In one fell swoop, the airport will give northern Germany and western Poland a badly needed hub, provide Berlin with an adequate outlet to the world and create one of four new growth centers in the state of Brandenburg.

According to Walter Hirche, Brandenburg's minister for economics, medium-sized companies and technology, construction on the new airport will begin at the end of 1993 or the beginning of 1994 and will take between six and seven years to complete. A former Russian air-force base located 43 kilometers (26 miles) southeast of Berlin is to be its site.

"A magnet for high-tech industries" is how Germany's authoritative daily Süddeutsche Zeitung described the proposed airport, estimating that it would attract hundreds of companies and create 170,000 new jobs.

Mr. Hirche, formerly Lower Saxony's minister of economics, is a bit more conservative. In a recent interview, he spoke of 30,000 employees working both directly for the airport's operating company and indirectly for the various service companies associated with it. As he points out, the airport's central location, roughly in the middle of the former East Germany and within an hour's travel time of the region's major cities, would open up the whole area (including western Poland) for development.

Walter Hirche, minister for economics, medium-sized companies and technology.

It is not so much regional interests that are motivating Berlin's city planners as the city's own environmental and business considerations. In the west, the city's Tegel and Tempelhof airports are located in the middle of the city, too close to noise-plagued residents yet too far from the emerging "business belt" located on the city's periphery. While Schönefeld to the southeast has the room for expansion that Tegel and Tempelhof lack, the modernized airport, currently being upgraded in a multi-billion-mark project, is "the airport of the '90s, not of the century to come," in the words of a Brandenburg economics official.

The new airport will cost at least 12 billion DM to build. According to Mr. Hirche, the financing and operation are to be handled along the lines of the Eurotunnel consortium.

Is Brandenburg at the turn of the next century likely to be a band of business development stretching from downtown Berlin through to the new airport, and beyond that a hinterland of countryside and such fading industrial towns as Cottbus, Schwedt and Eisenhüttenstadt?

Not according to Manfred Stolpe, Brandenburg's prime minister. His prescription for saving these areas and their industries is simple: a mix of attracting Western investment and reopening Eastern markets.

The state's outreach to the West has been remarkably successful for such a short period of time. Several billion marks have come from Veba and DEA for petrochemicals and the city of Schwedt. Investment has also come from BASF, one of the two largest chemical companies in the world, for chemicals and Schwarzheide; and from Siemens for electronics and Teltow.

Although almost every other aspect of East-West relations has changed, the demand in Eastern Europe for Western goods has not, nor has the need for East German companies to resume ties with their former business partners.

Praising their state's eyeglasses and textiles with a salesman's fervor, Mr. Stolpe and Mr. Hirche have headed delegations to Eastern Europe and held conferences there. The two ministers are prepared to venture into any area of business promotion, from matching trading partners to cobbling together finance and barter packages.

If Mr. Stolpe gets his way, supermarkets accommodating Poles hungry for consumer goods will be just one feature of a border area redesigned to face economic and political realities. As he sees it, such areas serve as points of exchange for goods, services and information. If these needs are not satisfied there, people will travel farther, needlessly clogging roads and facilities.

Other needs, such as management training, can be satisfied through country-to-country exchanges.

Integrating Two Cultural Scenes

"Rembrandt is coming!" announce the newspapers and art magazines. The exhibition is arriving in a city whose museums, cultural scene and basic psychological geography have undergone dramatic revisions.

Even for Berlin, a city that will attract well over three million visitors this year, the Rembrandt exhibition is a major draw. "There is a lot of competition, but we wouldn't be surprised if it turns out to be the biggest event in its field since 1988," states

On show: more than 130 of the master's works

an information officer at Berlin's state office for statistics.

All over Germany, art lovers are scrambling to reserve tickets from their travel agents for the two-month run of "Rembrandt — The Master and his Workshop," being held at Berlin's Altes Museum Sept. 12-Nov. 10 and sponsored by the American Express Foundation. Visitors will be descending upon a city that has seen radical change.

Take the museum scene. In 1988, when two million people attended the 600 exhibitions organized in honor of Berlin's being named that year's "Capital of European Culture," West Berlin already had two major museum complexes — in Dahlem and at the so-called Kulturforum near the Wall — and dozens of other important collections including the Brücke Museum, Berlinische Galerie, the treasures lodged in various wings in the Charlottenburg palace and the exhibitions held at the wonderfully restored Martin-Gropius Bau. East Berlin's Museum-Insel ("museum island"), with the Pergamon and 15 other collections plus a dozen other important sites, was equally impressive. The Wall unwittingly organized one overwhelming assemblage of art into two somewhat manageable and highly arbitrary entities. Nine million people managed to see at least part of both half-cities' art treasures in 1989.

That situation changed on Oct. 3, 1990, when West and East Berlin's art collections were united under the jurisdiction of the Stiftung Preussischer Kulturbesitz.

The guiding concept behind the Museum-Insel was to present, on a single site, a comprehensive overview of world art. This was the vision of Wilhelm von Bode, the director of Berlin's museums in the late 19th and early 20th centuries, who was responsible for assembling and cataloguing much of Berlin's exceptional Rembrandt collection. The Altes Museum, an integral part of the ensemble, was designed by Prussia's master architect Karl Friedrich Schinkel, who laid the groundwork for the spatial concept behind the island.

With the motifs of political and artistic unity and artistic comprehensiveness ruling the city and its cultural scene, it is highly fitting that an exhibition presenting an unsurpassedly broad sweep of Rembrandt's masterpieces — 46 major paintings, 40 drawings and 45 etchings from major museums and private collections in Berlin, Amsterdam, London and 23 other cities (plus numerous works from the members of his "school") — would be housed in the Altes Museum.

Not that this is the only demonstration of East-West coalescence. West Berlin's venerable Lessing Hochschule, for 91 years a pioneer in adult education, will be holding a series of lectures on such topics as "Rembrandt's Relationship to Amsterdam's Jews" and "Rembrandt's Crisis?" in East Berlin's Deutsches Historisches Museum. This museum is located in the city's old *Zeughaus*, or arsenal.

Reoriented museums are not the only change awaiting visitors, who will find that much of the alternative scene (in all of its artistic and political manifestations) has left Kreuzberg and Schoeneberg (West) for Prenzlauer Berg (East) and Wedding (West).

The deepest alteration: West Berlin is no longer an island, but a metropolis. When the negative aspects of reunification — the city's raw size and boomtown turmoil — prove to be too much, it is time to take advantage of a positive one.

Brandenburg is billed as "the perfect complement to Berlin." Its greenery, wide-open spaces and relaxed pace are increasingly sought-after by Berliners. Out-of-towners would do well to follow the locals' example and head out into the Brandenburgian countryside.

In the last 20 years, Rembrandt's work has been redefined. Here, "Belshazzar's Feast," painted circa 1635.

Planning the Berlin of the Next Century

An application to hold the Olympics in Berlin hopes to capitalize on the sporting tradition in the region and at the same time help consolidate the process of reunification.

Through all the years of separation, sports was the one thing that united both halves of the city, the country and the Central European region. Berliners on both sides of the Wall rejoiced in the tennis triumphs of Boris Becker and Steffi Graf, despaired with Hertà BSC, West Berlin's professional soccer club, and took a non-sectoral pride in the East German swimmers and the West German national soccer team.

For the last two years, economics and politics have been added to the list of activities shared by the whole region. While Brandenburg, Berlin and the other East German states and Eastern European countries wrestle with problems ranging from road construction to creating reciprocal academic exchange programs, an idea from an earlier age has been gaining ground.

In 1985, as a new general secretary assumed power in the Soviet Union, Willi Daume, president of West Germany's national Olympic committee, devised a bold and simple equation. He added together the sports stadiums, facilities and potential audiences in the Western and Eastern halves of Berlin and came up with a prime candidate to hold the Olympic Games in the year 2000.

Visions of athletes and spectators shuttling from one side of Berlin to the other swirled before the horrified eyes of East German authorities, who quite correctly saw this free flow of people as imperiling the psychological and practical significance of the Wall.

Moreover, how could the rush of spectators from nearby Poland, a scant 60 kilometers (38 miles) away, and adjacent East German districts be managed, once unleashed?

The authorities' worst fears now form the arguments with which Berlin 2000 Olympia GmbH is pleading its case to the International Olympic Committee. Led by Lutz Grüttke, a 49-year-old native Berliner and longtime IBM public relations executive, Berlin 2000 Olympia issued from a joint decision by both Berlin city governments just after the opening of the Wall to proceed with an application to hold the Olympic Games.

Lutz Grüttke of Berlin 2000 Olympia.

As explained by the organization's spokeswoman Regine Zylka, the factors favoring Berlin run the gamut from the extremely practical to the highly emotional. On the practical side: thanks to the past duplication of sports facilities, a united Berlin is in a position to hold a major sporting event at very short notice. Relatively few new facilities would have to be built; the city would revamp others as part of its general upgrading of facilities. With the state of Brandenburg now settled into its role of serving as the city's "site and services merchant," the Olympic Games would have plenty of room for outdoor events.

Another vision is the Olympia-Express, a high-speed urban railway which would take 20 minutes to make its question-mark-shaped way through 18 kilometers of sport facilities, media centers and hotels.

After a decade of traffic jams and jackhammers, of rusting factories and spanking new plans, there would no doubt be something dreamlike about the Express in the year 2000. Visitors would board a train and be whisked across this giant city.

Whether this vision and that of Willi Daume will ever be realized will be determined in September 1993, when the International Olympic Committee will convene to make its long-awaited decision.

Prime Minister

Continued from Page 9

participate in the founding of the European University in Frankfurt an der Oder, located on the German-Polish border.

Could you compare your expectations before entering office with your experience after 10 months on the job?

The basic approach the members of this administration developed 10 months ago has turned out to be valid. Our goal was — and still very much is — to make sure that the women and men living in Brandenburg do not become second-class Germans. Putting this approach into effect has proven to have economic, cultural, social and even psychological concomitants.

I thought the working relationship within the three-party coalition was going to be more difficult to manage than it has proven to be. All parties have demonstrated a willingness to work toward improving the situation around here.

What has proven to be more difficult than I had imagined has been the reshaping of the economy and the inculcation of democratic values. We have to transform a central economy into a free-enterprise system, and we have to lead the people away from a dictatorship and toward a democracy. It has been hard going. It is not something you can do in your spare time or delegate to someone else.

Despite all this, what I can say after 10 months is that the fog obscuring these problems has lifted.

A rapid buildup of state administration bodies and an unparalleled flow of private investment — the goal of all this has been to start up Brandenburg's motor and establish an indigenous private sector. Has this happened?

The motor has been started up. It is running at full speed in the construction sector, an area that has an especially important psychological role to play in the rebuilding process.

Another area of strength has been investment. This more often takes the form of setting up new facilities, which turns out to be easier then privatizing existing Kombinate [vertically integrated public-sector industries]. We don't try to talk investors out of that. We do, after all, have ample space.

AE-PC 9101a

American Express is proud to sponsor
the presentation of 160 masterpieces, beginning 12.09.1991 in Berlin.

The Rembrandt Exhibition.
Exclusively for American Express Cardmembers
every Wednesday evening.

For the first time in art history, 120 authentic paintings, drawings and etchings by Rembrandt van Rijn will be displayed alongside an additional 40 works by his pupils and other masters. This once-in-a-lifetime exhibition gives you the rare opportunity to judge for yourself what is a genuine Rembrandt and what is not.

Between September 12 and November 10, art lovers from all over the world will travel to the "Altes Museum" in Berlin to experience this event, sponsored by the American Express Foundation. Many will stand fascinated in front of "The Standard Bearer" or "The Sampling Officials of the Drapers' Guild". Others will stand before the self-portraits of this great Dutch Master. And some will stand vainly in line for the limited number of tickets available to the public. American Express Cardmembers, on the other hand, only have to call Germany 49-69/7 15 49 99, a special event telephone number furnished by American Express International Inc. Tickets can be picked up at the American Express stand in front of the museum.

American Express has reserved every Wednesday evening from 7 pm to 10 pm exclusively for its Cardmembers.

A feature as unique as the exhibition itself. Your admission ticket is your American Express Card. Incidentally, if you are not yet a member, you can apply for the American Express Card today by picking up an application wherever the Card is welcomed.

Membership has its privileges.®

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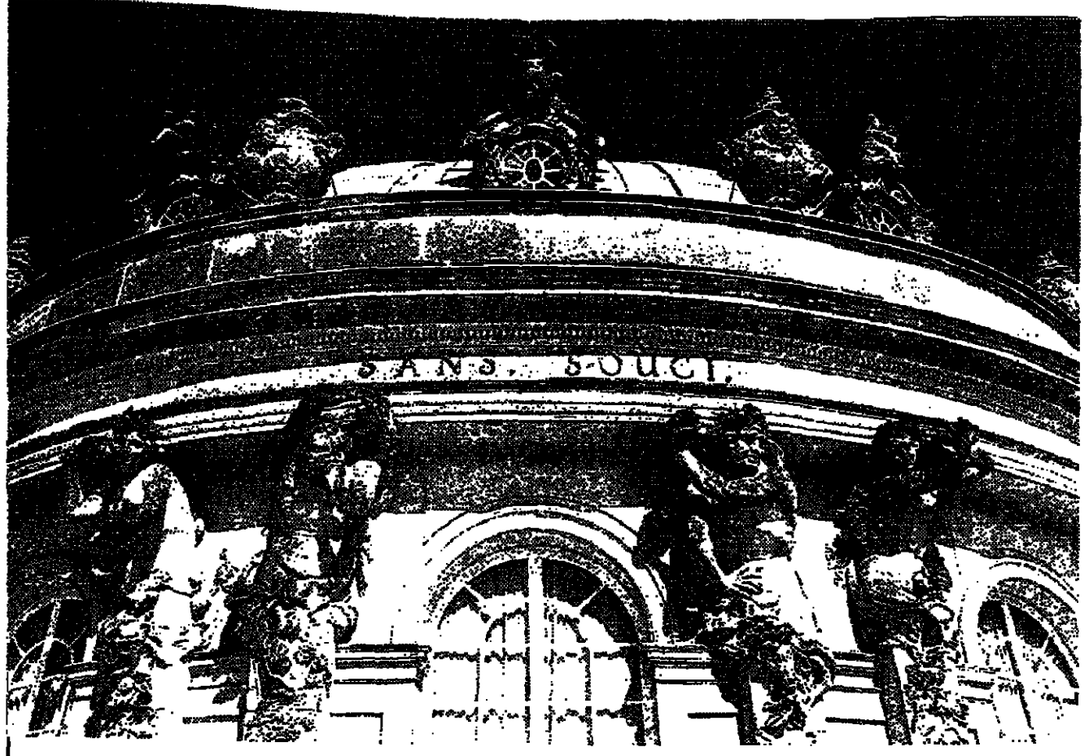
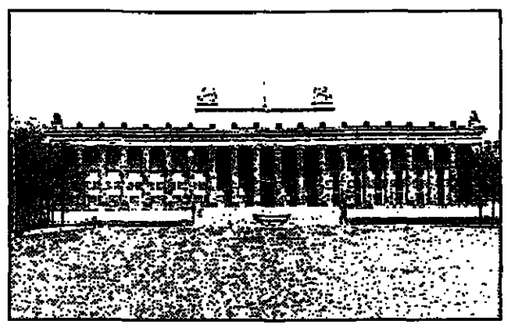


Potsdam's Sanssouci (left) is now the final resting place of Frederick II of Prussia, who had it built. Below, Berlin's majestic Altes Museum, designed by Karl Friedrich Schinkel in the early 19th century.



Palaces and Parks Ripe for Rediscovery in Unspoiled Setting

Brandenburg was largely settled by "outsiders" — first the Germans, then the Flemish, the Dutch, the Bohemians and the Huguenots. It was then discovered by "insiders" — architects, poets and princes from Berlin.

Rheinsberg is a gracious 18th-century castle attractively situated on a lake 75 kilometers (46 miles) northwest of Berlin. "My happiest years were spent there," wrote Frederick the Great of Prussia, who had the castle rebuilt.

The Spreewald remains a refuge for the 100,000 Sorbs, a Slavic ethnic group

An occasional pleasant afternoon in Rheinsberg's gardens and the surrounding spa is all that Brandenburg's modern-day potentate, Manfred Stolpe, the state's prime minister, can carve out of his own schedule.

Getting to the Spreewald, "the forest of the Spree river," is simple. By land, it is 75 kilometers southeast of Berlin; by water, perhaps a day's journey upstream from the city's downtown port.

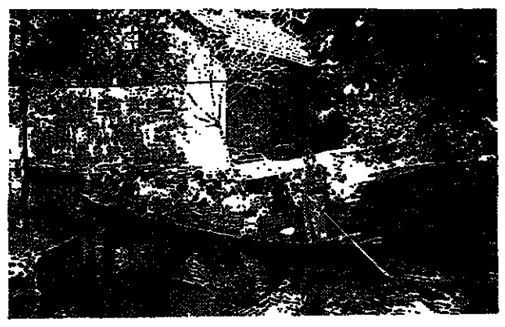
The Spreewald is a maze of 300 watery byways some 400 square kilometers (160 square miles) in size. It remains a refuge for the Sorbs, a 100,000-strong Slavic ethnic group who can be seen plying the waterways between the island vegetable gardens in gondolas.

Potsdam was elevated to the royal seat in the early 18th century by Frederick William I of Prussia. Its palaces include Sanssouci and Neues Palais, and those of Charlottenhof and Babelsberg, the work of the 19th-century master architect Karl Friedrich Schinkel. The Cecilienhof palace was the site of the signing of the Potsdam agreements on Aug. 2, 1945.

Restrictive travel regulations long denied Berliners access to this city, only 14 kilometers as the crow flies away from the downtown Gedächtniskirche church. Now they and foreign tourists are flooding Potsdam's historic zone, eagerly investigating the "Dutch Quarter," the "Mosque" (a pumphouse festooned with arabesques) and Potsdam's own Brandenburg gate.

Very few travelers have made their way to the Zermützelsee since Theodor Fontane described the lake's placid beauties 129 years ago. Even Fontane, that indefatigable rover of Brandenburg's byways, had a bit of insider knowledge working in his favor — he was born in Neuruppin, a town located in the lake's immediate vicinity, 50 kilometers northwest of Berlin. There are perhaps 10,000 more lakes in Brandenburg, many the former preserves of the Free German Youth, the East German communist youth organization, awaiting the gaze of a modern-day Fontane.

The first sight most visitors from Berlin see upon entering the small city of Babelsberg (located between Berlin's Wannsee district and Potsdam) is its palace and the sweeping park surrounding it. This impressive vision of nature, with its careless clumps of trees and meandering paths, is an illusion, a "product" manufactured by Germany's two greatest landscape architects, Peter Joseph Lenné and Hermann Fürst Pückler-Muskau, in the 1930s and '40s. Such century-old creations can be admired at Pückler's Branitz castle park in Cottbus, as well as at several dozen other summer palaces within an hour's drive of Berlin. Illusions are also the stock-in-trade of the palace's neighbor in Babelsberg — Defa, for over 80 years Germany's most productive film studio.



Southeast of Berlin, the Spreewald is a maze of 300 waterways.

Wandlitz, 10 kilometers north of Berlin, is a collection of rather unassuming-looking houses set in the woods. While not in themselves remarkable, their interest lies rather in the names of the compound's previous tenants: Erich Honecker, Egon Krenz and Erich Mielke.

Financing Art, Education Projects

From packed museums in Berlin to classrooms in Budapest, the sponsorship of American Express is reaching deep into Central and Eastern Europe — and attracting international attention at the same time.

This month, all of Germany's art magazines are reporting on how Berlin's blockbuster Rembrandt exhibit came into being. At the same time, several financial journals, among them the authoritative Wirtschaftswoche, were covering a new innovation in sponsorship.

The subject of all these articles was one and the same: American Express. The company's rare media sweep was due to the comprehensiveness and quality of the works exhibited — "The most important Rembrandt show in over 20 years" was one typical comment in a culture monthly — and American Express's success in linking customer service with sponsorship.

Cardholders should be well-represented among the millions of visitors expected to attend the exhibition during its eight-month run in Berlin, Amsterdam and London. For them the sponsor has organized weekend packages, special 24-hour ticket reservation systems and "American Express Membership Nights."

Once a week, on Wednesday evenings between 7 and 10 P.M., cardholders will have the Altes Museum and Rembrandt all to themselves — free of charge. This special kind of service, like American Express's staging of a Frank Sinatra concert exclusively for its members, has brought business trade papers to write of "AmEx's edge" in the hard-fought battle for credit-card allegiance.

For the sponsor, the funds going to "Rembrandt — The Master and his Workshop" form just part of the $23 million that the company's philanthropic arm, the American Express Foundation, and the company itself will spend on culture and education in 1991.

Other recipients of the company's largess are secondary schools in Budapest and in the Czech Republic.

American Express has targeted Central and Eastern Europe as one of its key future markets. On the business side, the company has set up offices in Budapest and Warsaw this year to facilitate the extension of its full range of travel-related services to Hungary, Poland and Czechoslovakia.

The educational projects in Budapest and Czechoslovakia show how the company's top-to-bottom sponsorship approach works. In Budapest the company will school students in the arts of the travel and tourism industry. For the Czechs, American Express's approach is a bit more wide-ranging. The company will fund a plan for the region's entire tourism development over the next five years.

This advertising section was written by Terry Swartzberg, a free-lance journalist based in Munich.

Support for this advertising section has come from the government of Brandenburg as well as from the display advertisers.

BERLIN 2000

Candidate for the Olympic Games 2000

MICHAEL SCHIRNER

Berlin 2000 Olympia GmbH Breite Straße 35 D-1020 Berlin

NYSE

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chg
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(Continued on page 16)

NYSE Highs-Lows

NEW HIGHS 44

AlaPw 9pf	AmBusPrd	AmWtrWks	ATMOS
BcoHw wi	BkNY adj pf	ClevEl pfB	CwE 2pr
CwE 724pr	DeluxeCp	DetE 932pf	DetE 275pr
DetE 275prB	DukeP pfH	Entergy	FishrPrcr n
FrnkMult	Goodyear	Hattera Sec	Hillenbrd
IllPw 84pf	KCPL 220pf	KanGasEl	LIL Co pfO
LaPL pf	Merck	NIPSCO	NWNL pf
NSPw 880pf	NovoNord	Nutmeg	OhPw 76pfC
PacA locSb	Phila Elec	PhEl 430pf	RhonePoul pf
SeaCstLtd pf	Showboat	Synovus	UnivCorp
VanKmpLtd pf	WICOR	WMS Ind	WashGas

NEW LOWS 11

AmaxGold	Barnett pfC	Caldor n	ClaeOd rt
EmerRad	FtCtyBcp pf	FloatPnt	IBP rt
IntlTch	NtSemi wt	PlacerDome g	

AMEX Highs-Lows

NEW HIGHS 20

Abiomed	AdvMed	AmTr-mrk sc	Astrotech pf
FlAustPr	InstruSys pf	KanGE pf	LitfdAd
MorHarm n	MidlandCos	NicholsC	PMC Cap
PGE 220pfV	PGE 250pfP	PlainResc	PubStor 6 n
RevellMon n	SterlingCap	Thermwood	WCI Hld pf

NEW LOWS 12

ATT Crd wt	ActonCp	AmTr-ek sc	Bonistrinc g
Crowley Mil	ForumRetr	Intermark	MIP Prop
viNewLew	PropCapTr	PubStor 7 n	Redlaw rt

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INTERNATIONAL MANAGER

Wall Street Cleans House After Salomon Scandal

By Richard D. Hylton
New York Times Service

NEW YORK — The Salomon Brothers scandal has sent tremors along Wall Street, as firms rush to clean house and distance themselves from any employees who may have violated securities laws.

Investment bankers, traders and analysts say some firms are overreacting as they try to make sure they are not hit by the kinds of troubles that have engulfed Salomon — and those troubles include a 20 percent drop in profit at its core government-bond trading business, according to Eric R. Rosenfeld, the newly appointed head of the firm's trading desk.

Last week, two firms — Shearson Lehman Brothers and UBS Securities — announced that they had suspended or dismissed some executives who may have violated securities laws.

'This is turning a clean shop into a competitive tool — if the government rewards it.'

In some cases, firms are examining the breadth of authority and access they allow to key traders and are considering limiting this reach as a way to prevent future problems.

Paul W. Mozer, the Salomon trader who violated Treasury bidding rules, had control over both government securities and foreign exchange, and did much of the dealing with major customers and the government himself.

Salomon also disclosed Tuesday that Mr. Mozer was paid more than $10 million in the last three years, including $4.75 million in 1990 alone. Mr. Mozer, who was dismissed in August, was paid a salary of $150,000 a year, plus a bonus that was determined by John H. Gutfreund, the chairman of the firm at the time, and approved by a compensation committee, the firm said.

At Salomon, "A few people did things that had the potential to seriously damage an institution," said Thomas A. Russo, a partner in Cadwalader, Wickersham & Taft, a New York law firm. "Executives are asking, 'Could this happen to me,' and so they are reviewing their compliance with the law and not only in the Treasury area."

THE TREASURY DEPARTMENT, also concerned that there not be another Salomon-type scandal, said Wednesday it was altering the way it auctions U.S. debt and would require written verification of large winning bids. And a Senate panel opened hearings into misconduct by the brokerage in at least five Treasury securities auctions, although key lawmakers in the House and Senate signaled Tuesday their intentions to delay any immediate regulatory overhaul of the government securities market.

Mr. Russo said that Wall Street executives are not content to merely wait for new regulations, and feel it is better to ferret out problems and act quickly than to face the prospect of damaging outside investigations.

Last week, Shearson Lehman Brothers suspended two of its top equities traders while it investigates allegations of stock-price manipulation in a $132 million offering in November. The suspensions shocked many on Wall Street because one suspended executive, Peter Da Puzzo, is a veteran trader well known in investment circles.

Officials at Shearson said the Salomon revelations prompted them to take immediate action in distancing the firm from employees who may have been involved in the illegal activities.

UBS Securities, the U.S. unit of the Union Bank of Switzerland, said it found evidence of illegal trading of securities and quickly suspended Jay Buck, the managing director and head of its fixed-income department. UBS dismissed another executive it believed was involved in the scheme.

The Salomon case, which opened the Pandora's box of investigations, lawsuits, suspensions and dismissals, involved that firm's

See MANAGER, Page 15

Japanese Surplus Up 70%

Trade Imbalance With U.S. and EC

By Steven Brull
International Herald Tribune

TOKYO — Japan announced Wednesday that its trade surplus had ballooned nearly 70 percent in August, as its trade minister flew to Europe for talks with Western counterparts and pressure mounted in Washington for a tougher stance on trade with Japan.

The Finance Ministry said robust demand for Japanese goods and flat demand for imports boosted the August customs-cleared surplus to $5.76 billion from $3.42 billion a year earlier. Exports rose 10.4 percent to $24.77 billion as imports remained steady at $19.01 billion.

A ministry official said the surplus was being closely watched but repeated the usual assertion that it was premature to spot a trend. But private sector economists said a trend was unmistakable, adding that it threatened to increase political tensions.

"There's much more to come in the building of Japan's trade surplus," said Jesper Koll, chief economist at S.G. Warburg Securities. "The question is, how is the U.S. going to react in a presidential election year to an expanding bilateral trade surplus."

Mr. Koll said the data suggested the surplus for the year could soar to nearly $100 billion. Robert Feldman, economist at Salomon Brothers Asia, saw the imbalance totaling $72.5 billion.

A continued sharp deterioration in trade is bound to have an adverse affect on relations with the EC, whose officials have long carped about growing imbalances with Japan. The EC surplus for the year is now nearly equal to the $18.5 billion gap for all of 1990 and seemed set to surge to $30 billion for all of 1991, an EC official in Tokyo said.

Mr. Koll predicted the trade deficit would increase calls in the United States for Japan to boost public spending and cut interest rates to spur demand for imports. Japan responded to similar demands in 1986, setting off an explosion in domestic demand that sent its trade surplus steadily downward. Now, however, Japan may find its hands tied.

Consumption will remain soft due to depressed land and stock prices and lower interest income on savings. Capital spending, a major

See TRADE, Page 14

Pentagon Targets Work Stations In Its War on High-Tech Exports

By John Markoff
New York Times Service

NEW YORK — Trying to protect an American edge in high technology demonstrated in the Gulf war, the Department of Defense is proposing strict new controls on the export of inexpensive but powerful computer work stations that can have military uses.

The Defense Department refuses to comment on its reasoning, but industry executives who have spoken with Pentagon officials and who oppose the restrictions say the officials are afraid that the computers, which cost as little as $20,000 and can fit on a desktop, will be used for designing weapons.

Industry executives who met Tuesday with Defense Department officials said that in the aftermath of the dissolution of the Soviet Union, government officials seemed to be concerned about a much broader proliferation of high-technology computer gear.

"They cited new concerns about cheap high-speed computers being diverted to the IRA and the Cambodian resistance movement as well as traditional worries that such computers might be used in anti-submarine warfare applications," said one executive who met with military officials Tuesday.

The stringent new controls would require hardware and software changes that would restrict the applications that could run on inexpensive engineering work stations, audit all programs run on the machines and limit their ability to connect to computer networks.

U.S. manufacturers affected by the proposed restrictions include International Business Machines Corp., Digital Equipment Corp., Hewlett-Packard Co., Sun Microsystems, Silicon Graphics and Prime Computer Corp.

The controls, which have been sought by representatives of the Joint Chiefs of Staff, represent the first significant skirmish over export policy since new multilateral high-technology controls were set by the United States and its Western allies in May.

The new unilateral restrictions appear partly to reverse the effort by the Coordinating Committee for Multilateral Export Controls, known as Cocom, to ease the limits on many kinds of high-technology goods, including computers.

"We're seeing a general trend for the Department of Defense to demand a number of onerous conditions on exports and not just work stations," said Eric L. Hirschhorn, a former deputy assistant commerce secretary for export control who is now

See TECH, Page 15

In Europe, Military Contractors Unite to Cut Costs and Split Profits

By Patrick Oster
Washington Post Service

BRUSSELS — Defense contractors across Europe, facing a transformed geopolitical landscape, are cutting costs by cooperating with old business foes through mergers, joint ventures and acquisitions.

At the same time, industry analysts say, their moves indicate a trend of intra-European deals that could take business away from U.S. military contractors.

Last week, Thomson-CSF, one of Europe's defense giants, shifted a major missile contract from LTV Corp., its U.S. supplier, to Euromissile, its archrival in the field.

"You are going to see a lot more deals like this based on defense budget cuts," said Peter Aseritis, an aerospace specialist for CS First Boston Inc. in New York.

Costly go-it-alone weapons projects, once acceptable as the price of national prestige, are being reconsidered as quickly as the "isms" that led to their development are disappearing.

Rolls-Royce PLC is proposing projects with France's Snecma and Turbomeca SA, Italy's Fiat-Avio SpA and Spain's Industria de Turbo Propulsores as part of a drive that could lead to a pan-European engine industry.

Britain's GEC-Marconi is deepening missile-making activities with France's Matra SA. Another possible missile-maker combination is Germany's Deutsche Aerospace, along with France's Aerospatiale and Matra.

Dassault, famous for making the Mirage fighter but suffering from falling profit, could be merged into Aerospatiale, a government-controlled aerospace company.

Since the fall of the Berlin Wall two years ago, defense budget cuts have been a fact of life in Europe, and there have been a number of deals that brought former manufacturing rivals together. These included:

- Thomson-CSF's agreement with GEC-Marco-

See DEFENSE, Page 15

Tenneco to Raise $2 Billion in Restructuring

Compiled by Our Staff From Dispatches

HOUSTON — Financially ailing Tenneco Inc. announced Wednesday a restructuring and cost-cutting program aimed at raising $2 billion.

As part of the program, Tenneco will slash its dividend by 50 percent and sell more than $1 billion in assets.

Tenneco, whose businesses include natural-gas delivery, shipbuilding and Monroe auto-exhaust systems, said its second-half loss will stem from poor results from its J.I. Case farm-equipment and construction-equipment unit. Case is the world's second-largest maker of farm machines after Deere & Co.

The company said it will further reduce the size and production of J.I. Case.

The announcement did not specifically mention layoffs, but earlier reports indicated up to 4,500 employees could lose their jobs by the end of the year.

The moves, which Tenneco said will save it $2 billion, follow by one day an announcement that Michael H. Walsh would become Tenneco president immediately, rather than Oct. 1 as originally planned.

Mr. Walsh is also scheduled next spring to replace James Ketelsen, Tenneco chairman and chief executive officer since 1978. Mr. Ketelsen reportedly adamantly opposed suggestions of an earlier dividend reduction, and for years has supported spending on the beleaguered Case, which he once headed.

"We believe this $2 billion action program demonstrates Tenneco's firm commitment to act decisively to capitalize on its opportunities and meet its challenges," Mr. Ketelsen said.

Tenneco stock was up 37.5 cents to $43 a share on the New York Stock Exchange following news of the plan.

The plan announced Wednesday cuts Tenneco's annual common stock dividend by 50 percent, starting with a reduction in fourth-quarter dividends to 40 cents a share from 80 cents a share.

The reduction will increase earnings by $200 million a year, Tenneco said.

The diversified industrial corporation also plans to sell more than $1 billion worth of assets, including a gasoline additive plant now under construction, three railroads, its Viscosity Oil Co. subsidiary and some timber and gold mining operations.

Tenneco also said it would save $250 million a year through reduced costs and improved productivity companywide, and would cut 1992 capital expenditures by 25 percent for another $250 million in savings.

The company also will raise an additional $300 million of equity.

Continued depressed market conditions will mean operating losses "substantially greater than previously anticipated" for J.I. Case, Mr. Ketelsen and Mr. Walsh said. They said that the unit does, however, expect to generate positive cash flow for the year as a whole.

Analysts expect Case, based in Racine, Wisconsin, to have a loss of $267 million this year; it reported an operating income of $186 million last year.

"Nonetheless, due to significant finished goods and dealer inventory reductions, Case expects to generate positive cash flow for the year," the executives said in a statement issued at Tenneco's Houston headquarters. *(UPI, Reuters)*

Impatient Los Angeles Steps on Gas To Push Electric-Car Development

By Robert Reinhold
New York Times Service

LOS ANGELES — Here in the city of angels, internal-combustion engines and smog, the search for clean cars, clean fuel and clean air is eternal.

Earlier this summer the City Council laid plans to make Los Angeles the first "electric-vehicle ready" city in America.

Tuesday, an Anglo-Swedish company unveiled a family-sized sedan at the International Automobile Exhibition in Frankfurt, Germany, that it said would be the first production-line electric car to be sold commercially in the United States when it goes on sale in the Los Angeles area early in 1993.

Whether anyone will buy the car is a question. But what is so extraordinary about the vehicle is not just its design, but that the city of Los Angeles is helping to underwrite its development to the tune of $7 million and expects to reap royalties from sales.

At an initial price of $25,000 and a range of only 60 miles (97 kilometers) on its battery, the car is expected to have a limited appeal.

But city officials hope it will pave the way for the more advanced electric cars under development by General Motors Corp., Ford Motor Co. and other major manufacturers.

"We see a market niche among upscale early adopters of new technology, mainly upper-middle-class

See ELECTRIC, Page 16

Super-Efficient Engines Are Only Part of the Story

By Warren Brown
Washington Post Service

WASHINGTON — Reports of recent Japanese breakthroughs in fuel-efficient engines have been conjuring up visions of a new automotive era.

The excitement began with Honda Motor Co. and Mitsubishi Motors Corp. unveiling new super-efficient "lean-burn" engines said to be capable of powering a car up to 60 miles (97 kilometers) on a single gallon (3.8 liters) of gasoline.

The accomplishments of Honda and Mitsubishi appear to be real. By many industry assessments, the new "lean-burn" engines presented by the two companies do mark an important step in fuel-management technologies.

But other automakers, including U.S. car companies, are taking different approaches to saving fuel, industry officials and engineers say. They are refining two-cycle gasoline engines, now used mainly in smaller engines, such as those in motorcycles; experimenting with solar-powered and electric cars; and developing new kinds of tires and materials to reduce fuel use.

Like the "lean-burn" engines that save fuel by using air to dilute the amount of gasoline needed in an engine's combustion chamber, all of those approaches have their limitations, industry officials say.

Lost in the excitement surrounding Honda's announcement was the fact that some of its fuel economy will come from weight reduction and the use of tires with low rolling resistance.

The Honda engine uses computers and sensors to control valve action and the air-fuel mix, to raise the amount of air in the mixture

See ENGINES, Page 16

Gold Hits 5-Year Low

Compiled by Our Staff From Dispatches

NEW YORK — Gold prices tumbled to their lowest level on nearly five years in New York on Wednesday, dogged by reports that the cash-starved Soviet Union may be forced to draw heavily on its gold reserves to pay for imports of grain and other goods.

In lively trading on New York's Commodity Exchange, gold for October delivery plummeted $7.90, to $343.00 an ounce, the lowest price since July 1986. In the afternoon, gold rallied to $346.30, but was still down $4.60 from Tuesday's close. In London, gold ended at $345.25 an ounce.

The market was undermined by a report in a British newspaper, The Guardian, that nearly $4 billion of Soviet gold had been secretly moved of gold out of the country this year. A denial by a senior official at the Soviet state bank, Gosbank, helped to lift gold from its lows, but traders were uneasy at the prospect that the world's third-largest producer may increase its gold sales. South Africa is the top producer; the United States is second.

Physical gold buyers, as opposed to those seeking futures contracts, held back in the expectation that distressed Soviet sales would send prices into a tailspin, and the lack of buying added to the market's weakness, traders said.

The president of the Soviet central Gosbank, Valentin Gerashenko, told the Tass news agency that the sale of gold is "under our strict control. The system works in such a way that it is possible to take gold out of the country secretly only in the form of powder in microscopic quantities, but not ingots." *(Reuters, AFP)*

CURRENCY RATES

Cross Rates

Sept. 11

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9175	3.3025	1.1272	0.3314	0.1507 *	—	5.47 *	1.2875	1.4135 *	1.685	1.799 *
Brussels	34.97	60.51	20.6075	6.0625	2.7566 *	18.2825	—	23.58	0.2592	30.715	32.905 *
Frankfurt	1.6978	2.929	—	0.294	0.1337 *	0.8874	4.852 *	1.1438	1.258 *	1.4907	1.596 *
London (a)	1.7285	—	2.9307	9.974	2,190.50	3.3066	60.40	2.5655	232.84	1.9666	183.50
Madrid	106.315	183.627	62.667	18.424	8.375 *	55.604	3.0402	71.665	78.837 *	93.423	—
Milan	1,270.25	2,192.15	748.12	219.94	—	663.90	36.293	856.06	9.416	1,115.80	11.942
New York (b)	—	1.734 a	1.6885	5.7435	1,264.80	1.9063	34.775	1.4787	134.72	1.1371	105.75
Paris	5.775	9.9665	3.4014	—	0.4547 *	3.0181	0.1643	3.8915	2.2804 *	5.072	5.428 *
Tokyo	134.75	233.17	79.55	23.39	0.1064	70.62	3.8632	90.97	—	118.31	1.2694
Toronto	1.1378	1.966	0.6716	0.1975	0.898 *	0.5959	3.254 *	0.7671	0.8431 *	—	1.067 *
Zurich	1.49	2.5649	0.8755	0.2576	0.1172 *	0.778	4.2531 *	—	1.1029 *	1.3093	1.4082 *
1 ECU	1.2088	0.6998	2.0507	6.9751	1,534.70	2.3111	42.2782	1.7932	163.801	1.3756	128.509
1 SDR	1.3531	0.7841	2.2974	7.8144	1,718.86	2.5872	47.3159	2.0087	182.403	1.5452	143.059

Closings in Amsterdam, London and Zurich, fixings in other centers; New York closing rates and Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	9920.0	Greek drac.	187.55	Mex. peso	3044.81	S. Afr. rand	2.8633
Austral. $	1.2682	Hong Kong $	7.747	N. Zealand $	1.7197	Soviet ruble*	0.5907
Austr. schil.	12.22	Indian rupee	25.78	Norw. krone	6.64	Swed. krona	6.173
Brazil cruz.	419.36	Indo. rupiah	1964.00	Phil. peso	26.25	Taiwan $	26.29
Chinese yuan*	5.3728	Irish £	0.6334	Port. escudo	144.76	Thai baht	25.48
Danish krone	6.55	Israeli shek.	2.2899	Saudi riyal	3.7593	Turkish lira	4701.45
Egypt. pound	3.3078	Kuwaiti dinar	0.2908	Sing. $	1.7025	UAE dirham	3.672
Fin. markka	4.226	Malay. ring.	2.779	S. Kor. won	740.10	Venez. boliv.	59.38

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.7192	1.7133	1.7074	Canadian dollar	1.1410	1.1445	1.1472
Deutsche mark	1.7028	1.7079	1.7130	Japanese yen	135.05	135.17	135.28
Swiss franc	1.4876	1.4904	1.4935				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banco Commerciale Italiano (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

Sept. 11

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	5½-5⅝	9 5/16-9 7/16	8-8⅛	10 7/16-10½	9 3/16-9¼	7 5/16-7 7/16	9⅝-9¾	7 1/16
2 months	5½-5⅝	9 5/16-9 7/16	8-8⅛	10 7/16-10½	9⅛-9 ¼	6⅞-7	9⅝-9¾	7 1/16
3 months	5½-5⅝	9⅜-9½	7 15/16-8 1/16	10⅜-10 7/16	9 3/16-9⅝	6 13/16-6 15/16	9⅝-9¾	7⅛
6 months	5⅝-5¾	9½-9⅝	7 15/16-8 1/16	10-10 ⅛	9⅛-9 ¼	6½-6⅝	9 11/16-9 13/16	7 3/16
1 year	5⅞-6	9¼-9⅜	7¾-7⅞	10-10 1/16	9 1/16-9½	6 5/16-6 7/16	9 11/16-9 13/16	7¼

Sources: All Reuters except ECU; Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Sept. 11

	Close	Prev.
United States		
Discount rate	5½	5½
Prime rate	8½	8½
Federal funds	5 7/16	5¼
Com paper 90-179 days	5.50	5½
3-month Treasury bills	5.23	5.22
6-month Treasury bills	5.25	5¼
1-year Treasury bills	5.38	5.27
30-year Treasury bond	8.02	8.01
2-month CD's	5.20	5.20
3-month CD's	5.25	5.30
Japan		
Discount rate	5½	5½
Call money	6 15/16	6 27/32
1-month interbank	6 13/16	6 15/16
3-month interbank	N.Q.	6 21/32
Germany		
Discount rate	7½	7½
Lombard rate	9¼	9¼
Call money	9.10	9.15
1-month interbank	9.10	9.10
3-month interbank	9.20	9.20
6-month interbank	9.35	9.35
Britain		
Bank base rate	11.00	11.00
Call money	10⅝	10½
3-month interbank	10 3/16	10¼
6-month interbank	10¼	10¼
France		
Intervention rate	9.00	9.00
Call money	9⅛	9⅛
1-month interbank	9⅛	9⅛
3-month interbank	9 5/16	9¼
6-month interbank	9 5/16	9¼

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Credit Lyonnais.

Asian Dollar Deposits

Sept. 11

1 month	5 7/16 - 5 9/16
2 months	5½ - 5⅝
3 months	5½ - 5⅝
6 months	5⅝ - 5¾
1 year	5⅞ - 6

Source: Reuters.

U.S. Money Market Funds

Sept. 11

Merrill Lynch Ready Assets
30-day average yield: 5.35
Telerate Interest Rate Index: 5.492
Source: Merrill Lynch, Telerate.

GOLD

Sept. 11

	A.M.	P.M.	Ch'ge
Hong Kong	349.65	347.95	— 3.40
Luxembourg	348.00	—	— 3.40
Paris (12.5 kilo)	348.84	347.30	— 4.81
Zurich	348.50	345.45	— 6.10
London	347.50	345.25	— 6.45
New York	—	345.25	— 0.70

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Mitterrand Authorizes Stake Sales

Reuters

PARIS — President François Mitterrand, backtracking from a 1988 election pledge, said Wednesday he has authorized the government to sell off minority interests in state-controlled companies.

The government last April allowed private firms to buy minority stakes in state companies if there was a formal link-up.

But Wednesday was the first time Mr. Mitterrand, who nationalized large sections of banking, insurance and industry on taking office in 1981, publicly endorsed a partial sell-off, marking a shift in industrial policy.

Defending the policy switch, he said: "We are all in the stranglehold of the increase in unemployment. So we must reinforce the industrial fabric."

He said the government would not ease budget restraints to boost the sluggish economy and combat unemployment, which stands at 9.5 percent of the work force and is rising rapidly.

Mr. Mitterrand said money raised through the sale of equity in state firms would go to those companies in an effort to reduce unemployment and that it would not be used to plug the budget deficit.

Mr. Mitterrand gave no indication of which firms might first be affected by the shift in policy.

Analysts have speculated that the steel group Usinor Sacilor and the chemicals and drugs group Rhône-Poulenc might be targeted.

In recent days investment certificates in Banque Nationale de Paris and Crédit Lyonnais have surged on the Bourse on talk the state might sell voting rights.

Weekly net asset value
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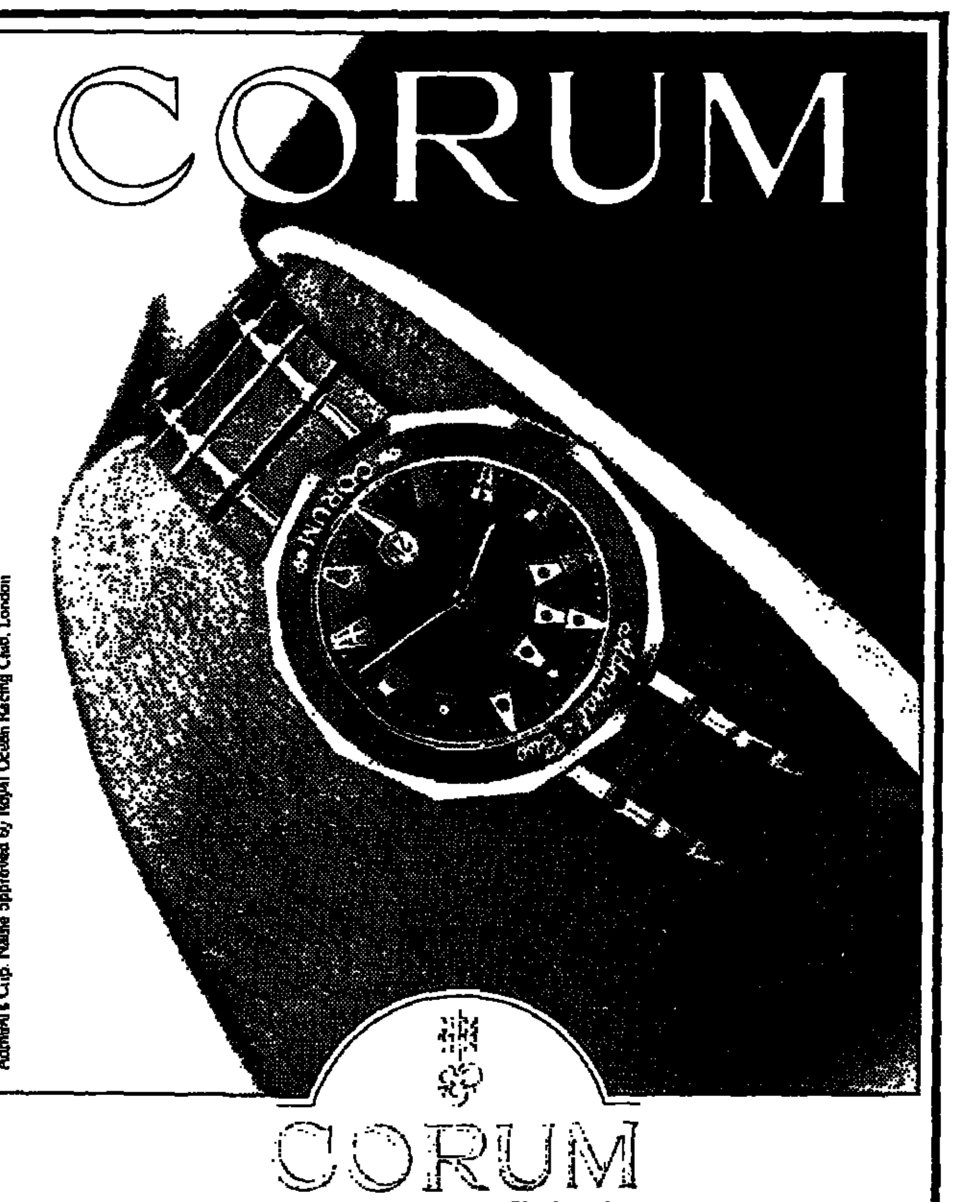

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MARKET DIARY

Program Buying Buoys Stock Prices

United Press International

NEW YORK — Stock prices closed narrowly mixed in moderate trading Wednesday after some computerized buy programs helped the market pare earlier losses tied to a lack of buying interest and to continued uneasiness about the economy.

The Dow Jones industrial average, which dropped 24.60 points Tuesday to take the blue-chip barometer below 3,000 for the first time since mid-August, gained 4.47 to 2,987.03.

N.Y. Stocks

The broader-based New York Stock Exchange composite index of all listed common shares edged up 0.21 to 211.21, while the Standard & Poor's 500-stock index inched up 0.53 to 385.09. Declines led advances by about a 4-3 margin.

Volume amounted to about 147.9 million shares, compared with 143.3 million traded in the same period Tuesday.

Analysts said computerized buy programs kicked in shortly after noon, helping the market recover from earlier losses.

"There was some program buying, but not a whole lot," said Ron Doran, director of institutional trading at C.L. King & Associates in Albany, N.Y.

"There was some anticipation of decent numbers tomorrow and Friday that perhaps would allow some easing of interest rates," he added.

The government is scheduled to report on August wholesale prices on Thursday and consumer prices the next day.

AT&T paced the Big Board actives, off ⅛ to 37⅜. PepsiCo followed, up ½ to 29⅝. Boeing was third, off 1⅛ to 49⅞.

IBM jumped 1¾ to 101⅞ as the company introduced 100 new products and services.

Dollar Lacks Direction In Countdown to Data

Reuters

NEW YORK — The dollar closed weaker Wednesday in quiet trading as dealers awaited U.S. economic statistics due Thursday and Friday and the Federal Reserve's reaction to them.

"We're in a holding pattern until we find out" the numbers and

Foreign Exchange

whether the Fed eases monetary policy again, said Earl Johnson, vice president at Harris Bank in Chicago. Many analysts expect the Fed to lower interest rates after the release of the data, which include retail sales and both producer and consumer prices for August.

The dollar ended at 1.6885 Deutsche marks, down from Tuesday's finish of 1.6938 DM, and at 134.72 yen, down from 134.75. The dollar also fell to 1.4787 Swiss francs from 1.4804 and to 5.7435 French francs from 5.7615.

The pound rose to $1.7340 from $1.729.

The dollar hit a high of 1.7020 DM in the New York morning before slipping. Speculators then pushed the dollar to 1.6860 DM near the end of the U.S. session.

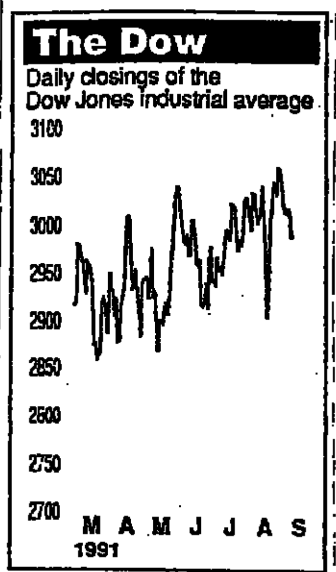
"There's no real direction or conviction to this market. It's a coin-toss as to which way the dollar will go next," said David Gilmore, senior analyst at MCM Currencywatch.

Many analysts expect the Fed to lower its discount rate half a point to 5 percent and its federal funds target a quarter point to 5.25 percent Friday or Monday.

Since an interest-rate cut has been factored into currency rates already, dealers expect the dollar will actually rise if rates are lowered.

In London, the dollar was quoted at 1.6965 DM and 134.85 yen, both unchanged from Tuesday. It rose to 1.4892 Swiss francs from 1.4833 and fell to 5.775 French francs from 5.785. The pound rose to $1.7285 from $1.7270.

Via Associated Press Sept. 11



NYSE Most Actives

	Vol.	High	Low	Last	Chg.
AT&T	30851	37½	36	37⅜	−⅛
PepsiC	27573	29⅝	29⅜	29⅝	+½
Boeing	26982	51⅛	49⅝	50	−1⅛
Tennco	22825	43¼	39⅞	40½	−2⅛
Heinz	18963	38¼	37⅜	37¾	−½
MorMD	18083	37⅞	33⅝	34⅞	+3⅛
Syntex s	16369	42⅝	41½	42	−⅜
Kemper	16325	31¼	30	30	−1⅜
IBM	15477	101⅞	99⅝	101⅞	+1¾
Salomn	14923	25⅛	23⅝	25	+⅞
WstgE s	14649	22⅝	21⅞	22⅛	
CompSc	14352	77	75⅞	76¾	+1
GenEl	14265	70⅝	70	70⅝	+⅛
Limitd	12848	25½	24⅞	25½	+¾
TelMex n	12326	37¾	37	37⅝	+¾

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
DowC rt	77152	6⅝	6¼	6⅜	−2½
Hasbro	5180	25¼	24¾	25¼	+¼
MetMB	4705	18⅞	18	18¾	+½
PlnRsc	4703	19⅞	16½	19⅝	+2½
ViacB n	3714	26½	26¼	26⅜	−½
EchoBy	3422	7⅝	7⅜	7⅝	
IntMovie	2840	2⅝	2⅜	2⅜	
ForstL s	2559	35	34	34⅞	−⅜
viCntAr	2527	2⅛	1⅞	2⅛	+⅛
A-att2 sc	2211	9	8⅝	8⅞	−⅛
RevMn n	1981	14½	14	14⅜	+½
BolrPh	1965	7⅝	7	7¼	−½
Hlihov	1842	2⅝	2⅜	2⅜	−⅛
NY Tim	1609	21⅞	21½	21⅞	+¼
A-ge sc	1520	7⅜	7⅛	7¼	

NYSE Diary

	Close	Prev.
Advanced	731	416
Declined	804	1181
Unchanged	577	520
Total Issues	2112	2117
New Highs	44	37
New Lows	11	14

Amex Diary

	Close	Prev.
Advanced	236	156
Declined	295	387
Unchanged	252	259
Total Issues	783	802
New Highs	20	19
New Lows	12	13

NASDAQ Diary

	Close	Prev.
Advanced	1,027	702
Declined	894	1,247
Unchanged	2,217	2,191
Total Issues	4,138	4,140

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2989.04	3004.70	2964.67	2987.03	+4.47
Trans	1164.84	1180.36	1156.91	1175.42	+13.04
Util	205.87	207.37	205.37	206.81	+0.88
Comp	1057.02	1065.29	1049.66	1060.02	+4.90

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	457.56	454.95	456.65	+0.46
Transp.	291.45	289.07	291.41	+2.14
Utilities	142.40	141.63	142.39	+0.46
Finance	31.26	31.07	31.18	−0.03
SP 500	385.40	383.59	385.09	+0.53
SP 100	364.54	362.12	363.91	+0.46

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	211.21	210.50	211.21	+0.21
Industrials	264.65	263.77	264.45	+0.18
Transp.	176.41	175.45	176.41	+0.89
Utilities	93.29	92.90	93.29	+0.31
Finance	156.02	155.62	156.02	−0.06

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	514.86	511.23	514.76	+3.48
Industrials	575.59	570.64	575.29	+4.95
Finance	517.94	514.15	517.82	+2.83
Insurance	538.48	535.34	536.92	−0.53
Utilities	576.01	570.69	574.64	+1.52
Banks	340.49	338.06	339.67	−0.29
Transp.	516.61	511.77	513.79	−0.25

AMEX Stock Index

High	Low	Close	Ch'ge
366.19	363.88	364.68	−1.51

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	96.12	−0.04
10 Utilities	97.41	+0.06
10 Industrials	94.83	−0.15

Market Sales

NYSE 4 p.m. volume	147,910,000
NYSE prev. cons. close	180,399,070
Amex 4 p.m. volume	13,720,000
Amex prev. cons. close	14,374,000
NASDAQ 4 p.m. volume	151,801,500
NASDAQ prev. 4 p.m. volume	146,734,800
NYSE volume up	64,825,490
NYSE volume down	60,803,048
Amex volume up	5,117,295
Amex volume down	6,587,815
NASDAQ volume up	82,932,100
NASDAQ volume down	42,983,800

S&P 100 Index Options

Sept. 11

Strike Price	Calls-Last Sep	Oct	Nov	Dec	Puts-Last Sep	Oct	Nov	Dec
335	29¼	—	—	—	⅛	1⅛	2⅞	—
340	24	—	—	—	¼	1⅝	3⅜	5⅜
345	19½	22⅛	24	—	⅜	2⅛	4⅛	—
350	14⅝	18	20½	—	⅝	3	5¼	7⅝
355	10⅛	14	16¾	—	1⅛	4⅛	6⅝	—
360	6½	10½	13⅝	—	2⅛	5⅜	8¼	11
365	3	7½	10¼	—	4	7⅛	9⅞	—
370	1⅛	4⅞	7¼	11⅛	7¼	9⅞	12½	15
375	⅜	2⅝	5½	—	11⅝	13	15¾	—
380	⅛	1½	3⅜	6⅝	16⅝	17⅛	19	21⅝
385	1/16	⅝	2⅛	—	21⅝	21¼	—	—
390	1/16	⅜	1⅜	3¼	—	—	27¼	—
395	—	⅛	¾	—	—	—	—	—

Calls: total vol. 109,229; total open int. 383,964
Puts: total vol. 124,795; total open int. 427,918

	Dec 92	Dec 93	Dec 92	Dec 93
27½	—	—	⅝	—
32½	—	—	1½	—
35	4¾	—	2⅝	3⅛
37½	—	—	—	4¾

Calls: total vol. 3; total open int. 22,482
Puts: total vol. 433; total open int. 77,515
Source: CBOE.

EUROPEAN FUTURES

Food

	Close		High	Low	Prev. Close	
SUGAR (FOX) U.S. Dollars per metric ton-lots of 50 tons						
Oct	199.00	202.40	200.00	198.80	200.00	200.60
Dec	185.00	186.00	187.00	187.00	185.00	190.00
Mar	189.00	190.00	188.60	186.40	186.20	190.00
May	184.00	190.60	189.00	186.00	186.20	190.00
Aug	182.00	193.60	N.T.	N.T.	184.00	193.00
Oct	180.00	197.60	N.T.	N.T.	184.00	200.00
Dec	180.00	198.40	N.T.	N.T.	175.00	198.00
Est. Sales 467.						
COCOA (FOX) Sterling per metric ton-lots of 10 tons						
Sep	702	708	713	712	710	712
Dec	736	737	749	735	742	743
Mar	770	771	785	770	778	779
May	791	792	803	791	797	798
Jul	811	812	821	811	815	816
Sep	831	832	840	832	834	836
Dec	852	856	861	854	855	856
Mar	872	873	886	872	878	880
May	892	893	902	893	895	897
Jul	912	913	914	909	911	914
Est. Sales 3,710.						
COFFEE (FOX) Sterling per metric ton-lots of 5 tons						
Sep	525	528	540	525	540	541
Nov	551	553	565	550	566	567
Jan	571	572	584	569	585	586
Mar	579	581	593	580	595	597
Est. Sales 2,287.						

	High	Low	Close		Ch'ge
WHITE SUGAR (Matif) Dollars per metric ton-lots of 50 tons					
Oct	287.00	284.20	287.50	290.00	+1.80
Dec	281.00	277.20	281.00	283.00	+3.60
Mar	279.50	276.00	281.00	283.00	+2.20
May	N.T.	N.T.	279.00	281.00	+1.20
Aug	N.T.	N.T.	278.00	279.50	+0.80
Oct	N.T.	N.T.	259.50	260.50	Unch.

Est. sales 2,815. Prev. sales 1,737. Open interest 18,071.

Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1245.00	1247.00	1253.00	1256.00
Forward	1276.00	1277.00	1284.00	1285.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1346.50	1347.00	1352.00	1353.00
Forward	1348.00	1349.00	1352.00	1353.00
LEAD Sterling per metric ton				
Spot	320.50	321.50	318.00	319.00
Forward	329.50	330.50	329.00	330.00
NICKEL Dollars per metric ton				
Spot	8008.00	8010.00	7810.00	7820.00
Forward	7975.00	7980.00	7820.00	7825.00
TIN Dollars per metric ton				
Spot	5585.00	5590.00	5580.00	5590.00
Forward	5660.00	5665.00	5660.00	5665.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1030.00	1032.00	1027.00	1029.00
Forward	1048.00	1049.00	1045.00	1046.00

Financial

	High	Low	Close	Change
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct				
Sep	89.83	89.78	89.80	−0.01
Dec	90.29	90.23	90.25	−0.02
Mar	90.45	90.39	90.42	Unch.
Jun	90.39	90.36	90.37	Unch.
Sep	90.24	90.21	90.23	+0.01
Dec	90.15	90.13	90.14	+0.01
Mar	90.01	90.00	89.99	Unch.
Jun	89.98	89.98	89.97	+0.01
Sep	N.T.	N.T.	89.94	+0.01
Dec	N.T.	N.T.	89.92	+0.01
Est. volume: 23,614. Open Interest: 137,496.				
3-MONTH EURODOLLARS (LIFFE) $1 million - pts of 100 pct				
Sep	94.41	94.36	94.38	+0.01
Dec	94.19	94.14	94.15	Unch.
Mar	94.18	94.14	94.15	−0.01
Jun	93.88	93.88	93.84	−0.02
Sep	93.50	93.49	93.48	−0.01
Dec	92.94	92.93	92.91	−0.01
Mar	N.T.	N.T.	92.75	−0.01
Jun	92.50	92.49	92.47	−0.01
Est. volume: 3,380. Open Interest: 39,483.				
3-MONTH EUROMARKS (LIFFE) DM1 million - pts of 100 pct				
Sep	90.78	90.75	90.76	−0.01
Dec	90.79	90.76	90.76	−0.02
Mar	91.01	90.98	90.98	−0.02
Jun	91.19	91.17	91.17	−0.01
Sep	91.32	91.30	91.30	−0.01
Dec	91.35	91.35	91.37	−0.01
Mar	91.41	91.41	91.44	−0.01
Jun	91.45	91.45	91.47	Unch.
Est. volume: 18,410. Open Interest: 136,996.				
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct				
Sep	95-12	95-07	95-08	+0-05
Dec	95-17	95-08	95-11	+0-05
Mar	N.T.	N.T.	95-11	+0-05
Est. volume: 16,390. Open interest: 59,776.				
GERMAN GOVERNMENT BUND (LIFFE) DM 250,000 - pts of 100 pct				
Dec	85.45	85.23	85.26	−0.06
Mar	85.55	85.50	85.42	−0.06
Jun	N.T.	N.T.	85.42	−0.06
Est. volume: 28,301. Open interest: 57,421.				

Industrials

	High	Low	Last	Settle	Ch'ge
GASOIL (IPE) U.S. dollars per metric ton-lots of 100 tons					
Sep	191.50	186.75	186.50	186.75	−4.00
Oct	195.50	191.75	192.00	192.00	−2.50
Nov	196.50	194.25	194.50	194.50	−1.50
Dec	197.00	195.00	195.50	195.50	−1.25
Jan	195.00	193.25	193.25	193.25	−1.50
Feb	190.00	188.25	188.25	188.25	−1.00
Mar	184.00	183.25	183.25	182.75	−1.50
Apr	179.00	179.00	179.00	177.25	−2.25
May	174.00	173.00	173.00	173.00	−1.50
Est. Sales 19,000. Prev. sales 13,432. Open interest 87,841					
BRENT CRUDE OIL (IPE) U.S. dollars per barrel-lots of 1,000 barrels					
Oct	20.16	19.93	20.15	20.16	+0.21
Nov	20.13	19.92	20.11	20.11	+0.15
Dec	20.07	19.88	20.07	20.07	+0.11
Jan	19.93	19.89	19.93	19.92	+0.07
Feb	19.75	19.75	19.75	19.75	+0.06
Mar	19.57	19.57	19.57	19.70	+0.05
Apr	N.T.	N.T.	N.T.	19.63	+0.05
May	N.T.	N.T.	N.T.	19.57	+0.05
Est. Sales 25,600. Prev. sales 20,131. Open interest 74,918					

Stock Indexes

	High	Low	Close	Change
FTSE 100 (LIFFE) £25 per index point				
Sep	2657.0	2635.0	2642.0	−0.5
Dec	2700.0	2679.0	2687.0	+0.5
Mar	N.T.	N.T.	2723.0	+0.5

Est. volume: 16,493. Open interest: 41,100.

Sources: Reuters, Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
Sept. 10	717,438	673,946	17,153
Sept. 9	595,142	590,783	1,887
Sept. 6	787,579	653,589	4,322
Sept. 5	794,078	633,361	9,265
Sept. 4	651,982	683,327	20,962

*Included in the sales figures.

Dividends

Company	Per	Amt	Pay	Rec
INCREASED				
Coastead Mortgage	Q	.64	9-30	9-20
Communics Svs	Q	.08	10-1	9-20
Health Eq Prop IC	Q	.22	10-31	9-30
Heinz (HJ) Co	Q	.27	10-10	9-23
Keithley Instr	-	.05	9-27	9-20
Masco Corp	Q	.15	11-11	10-18
DISTRIBUTION				
Blockst Adlge TTI	-	.0813	9-30	9-16
Blockst Inc TI	-	.0833	9-30	9-16
Blockstone 1998 TTI	-	.0706	9-30	9-16
Blockst Target TTI	-	.0792	9-30	9-16
INITIAL				
Van Houtte (AL)	-	c.12	10-8	9-25
USUAL				
Alaska Air Group	Q	.05	11-5	10-15
Assoc Natural Gas	Q	.03	10-31	9-30
Autodesk Inc	Q	.12	10-2	9-18
Autodesk Inc	Q	.12	10-2	9-18
Consol Natural Gas	Q	.47	11-15	10-15
CTS Corp	Q	.18¾	11-5	9-30
Fluke (John) Mfg	Q	.10	10-18	9-27
Genovese Drg Strs	Q	.06	10-14	9-27
Granite Const	Q	.05	10-18	9-30
Graphic Industries	Q	.01¾	10-4	9-20
Greif Bros cl-A	Q	.08	10-1	9-20
Hlth Rehab Prop Tr	Q	.28	11-26	9-20
Intl Flavors&Frags	Q	.60	10-10	9-26
Mercantile Bkshrs	Q	.21½	9-30	9-20
Oklahoma Gas & El	Q	.64½	10-30	10-10
PtnmAdjRateUSGF	M	.08	9-25	9-16
Putnam Divl GF	Q	.07	10-10	9-25
Putnam Global GIT	M	.12	10-1	9-20
Putnam Hi Yld Trust	M	.13½	9-25	9-16
Putnam Hi Yld Tr II	M	.10	9-25	9-16
Putnam Inc Fund	M	.052	9-25	9-16
Putnam Strategic IT	Q	.10	9-30	9-20
Putnam Util G&FI	Q	.14	9-30	9-25
Santa Fe Engy Res	-	.04	10-21	9-30
Selas Corp of Amer	-	.06	9-30	9-24
Star Banc Corp	Q	.25	10-15	9-30

U.S./AT THE CLOSE

AMR Plans to Cut Capital Spending

CHICAGO (Reuters) — AMR Corp.'s chairman, Robert Crandall, said American Airlines is substantially cutting its capital spending over the next couple of years.

In a speech to airline analysts in New York, Mr. Crandall said, "It's fair to estimate that we have already made firm decisions which will reduce our five-year spending program by almost half a billion dollars — and as we make aircraft-related decisions in the weeks ahead, we will reduce it further."

The announcement sent shares of jet makers falling, with Boeing down 1⅛ to 50, and McDonnell Douglas down 2⅛ to 54. AMR gained 3⅛ to close at 59.

Daiichi Set to Sell Tiffany Building

TOKYO (Reuters) — The debt-ridden Japanese property company Daiichi Real Estate Ltd. is prepared to sell the Tiffany Building in midtown Manhattan, a company spokesman said on Wednesday.

He declined to say what price his company was seeking for the Tiffany Building, home to the famous jeweler. Daiichi bought the building $94.35 million in 1986.

Hills Sees End to GATT Round

BONN (Reuters) — U.S. Trade Representative Carla A. Hills said on Wednesday she expected stalled world trade talks on freeing exports to end in January at the earliest, missing a year-end deadline set by the Group of Seven industrial nations.

She was in Bonn before traveling to a two-day informal meeting of the European Community, the United States, Japan and Canada, which begins in Angers, France, on Friday.

Drexel Sues Milken for Deception

NEW YORK (AP) — Drexel Burnham Lambert Inc. sued Michael Milken, accusing the junk-bond pioneer of deceiving the firm through illegal acts.

The unusual action Wednesday was an outgrowth of a settlement agreement that allows Drexel to emerge from bankruptcy court proceedings.

For the Record

William T. Kerr, president of The New York Times Co. Magazine Group, on Tuesday was named president of the Meredith Corp. Magazine Group, which publishes The Ladies' Home Journal, Better Homes & Gardens and other magazines. *(NYT)*

The San Diego Union and Tribune will merge in early 1992 into a single newspaper with morning and afternoon editions, the publisher, Helen K. Copley, announced Wednesday. *(AP)*

BANK: *Clifford's 'Insider Game'*

(Continued from Page 1)

have repeatedly denied any wrongdoing and have said they were duped by BCCI executives.

Mr. Clifford and Mr. Altman were not charged in a New York grand jury's indictment July 29 of BCCI, its Pakistani founder and its former chief operating officer.

Representative Chalmers P. Wylie of Ohio, the Banking Committee's ranking Republican, said documents obtained by the panel showed that Mr. Clifford had extensive knowledge of BCCI's interest in acquiring First American's predecessor.

A report written by the staff of the committee's Republican minority and released by Mr. Wylie cited a 10-year-old telex message from a BCCI executive to the operating officer concerning BCCI's interest in the purchase.

"I met Mr. Clark Clifford and explained to him our strategy and our goal," the report quoted the message as saying. "He was happy to know the details and has blessed the acquisition."

Mr. Clifford has denied that such a meeting took place, the report noted.

TRADE: *Analyst Says Japanese Surplus for Year Could Hit $100 Billion*

(Continued from first finance page)

component of domestic growth, is also set to fall sharply. With the EC, the establishment of Japanese factories ahead of the 1992 integration of markets is also spurring exports of capital goods. "It's virtually impossible to see why over the next 12 months the Japanese trade balance should decline," Mr. Koll said.

A widening trade gap could provide ammunition to the House majority leader, Richard A. Gephardt, the Missouri Democrat who on Tuesday called for a tougher line against Japan. He announced legislation aimed at Japan and other nations accused of having closed markets and urged the General Agreement on Tariffs and Trade to study the openness of the Japanese market.

A return to Japanese export-led growth could also make life uncomfortable for the Japanese trade minister, Eiichi Nakao, who arrives in Paris on Thursday for two-day trade talks with representatives from the United States, Canada and the European Community. On Sunday he will go to Washington to meet Commerce Secretary Robert A. Mosbacher and Federal Reserve Board Chairman Alan Greenspan.

The Japanese figures showed Tokyo enjoyed a trade surplus with all of its major trading regions.

The surplus with the United States, which had declined since April, rose 5.8 percent to $2.99 billion from $2.82 billion a year earlier. Exports rose 5.5 percent to $7.51 billion and imports rose 5.3 percent to $4.52 billion.

The trade surplus with the EC expanded for the 10th consecutive month, rising 60.9 percent to $1.79 billion. Exports increased 3.0 percent to $4.3 billion as imports sagged 18.1 percent to $2.51.

Japan's trade surplus with Asia soared by 52.1 percent to $2.38 billion, its 18th consecutive monthly increase.

WORLD STOCK MARKETS

Agence France Presse Sept. 11

Amsterdam

	Close	Prev
ABN Amro Hld	40	39.90
ACF Holding	37.20	37
Aegon	114.20	114
Ahold	83.30	83.60
Akzo	121.30	121.70
AMEV	49.90	49.80
A Dam Rubber	3.35	3.40
Bols	43.60	43.20
Buhrmann Tett	45.40	45.80
Center Parcs	24	24.25
CSM	80	79.40
DAF	21.80	21.80
DSM	106.50	106.90
Elsevier	85.60	85.70
Fokker	32.70	34.10
Gist-Brocades	36.60	36.40
Heineken	147.60	148.40
Hoogovens	59.30	59.20
Hunter Douglas	76.10	76.90
IHC Caland	61.70	61.80
Inter Mueller	72	71.10
Int'l Nederland	47.10	47.90
KLM	33	30.10
KNP	48.30	48.70
Nedlloyd	57.50	58
Oce Grinten	57.20	57.50
Pakhoed	44.30	44.80
Philips	36.30	36.70
Robeco	99.45	99.90
Rodamco	52.30	52.60
Rolinco	99.10	99.50
Rorento	68	67.90
Royal Dutch	157.30	156.90
Unilever	159.70	160.40
Van Ommeren	44	44.20
VMF Stork	36.25	35.75
VNU	77.30	74.50
Wessanen	84.10	84.30
Wolters Kluwer	57.70	57.60

CBS Trend Index : 92.10
Previous : 92.20

Brussels

	Close	Prev
AG Fin	1800	1800
Arbed	4543	4570
Barco	1310	1008
Bekaert	9650	9720
Cockerill	168	174
Cobepa	4900	4870
Delhaize	7710	7710
Electrabel	4480	4470
GB-Inno-BM	1220	1224
GBL	3275	3290
Gevaert	6500	6580
Hoboken	10550	N.A.
Kredietbank	3990	3930
Petrofina	11250	11300
Royal Belge	3950	4010
Soc Gen Banque	5230	5290
Soc Gen Belgique	2310	2275
Sofina	11475	11500
Solvay	12600	12625
Tractebel	7910	7910
UCB	18475	18550
Powerfin	2355	2370

Current Stock Index : 5594.89
Previous : 5617.93

Frankfurt

	Close	Prev
AEG	183.10	184
Allianz Hold	1983	1993
Altana	641	637
Asko	860	874
BASF	249.20	248.30
Bayer	284.80	284.50
Bay. Hypo bank	349	349
Bay Vereinsbk	399.50	398
BBC	780	N.A.
BHF Bank	367	365
BMW	519.50	519.50
Commerzbank	247	245
Continental	219	220.50
Daimler Benz	743.70	744.80
Degussa	344.10	339.90
Dt Babcock	161	160
Deutsche Bank	645.30	643.50
Douglas	738	741
Dresdner Bank	342	342
Harpener	305	N.A.
Henkel	570.50	567
Hochtief	1315	1320
Hoechst	241.50	240.50
Hoesch	231	[illegible]
Holzmann	1329	1325
Horten	198.50	193
IWKA	320	321
Kali Salz	173	170
Karstadt	617	613
Kaufhof	505	497
KHD	163	164
Kloeckner Werke	145.90	148
Krupp Stahl	144.50	142.50
Linde	817	808.50
Lufthansa	143	143.50
MAN	0.10	N.A.
Mannesmann	274	274.70
Metallgesell	488	490
Muench Rueck	2210	2210
Nixdorf	239.80	237
PKI	509	510
Porsche	715	725
Preussag	372	366.80
PWA	255	256
RWE	376.50	377.50
Rheinmetall	315	312
Schering	803.50	811.50
SEL	359	362.70
Siemens	662	662.50
Thyssen	240.70	241
Varta	337	337
Veba	347.20	349.50
VEW	199.90	200.10
Viag	395.50	397.50
Volkswagen	379.50	379.50
Wella	645	649

DAX Index : 1628.19
Previous : 1629.12
FAZ Index : 675.44
Previous : 673.48

Helsinki

	Close	Prev.
Amer A	55	55.50
Enso-Gutzeit	18.50	17.90
K.O.P.	28	28.50
Kymmene	63.50	64
Metra	65.50	67
Nokia	87	88.50
Pohjola	84	82
Repola	48.10	50
Stockmann	120	120

HEX Index : 934.50
Previous : 936.40

Hong Kong

	Close	Prev.
Bk East Asia	18.90	19.10
Cathay Pacific	9.85	9.85
Cavendish Int'l	3.50	3.42
Cheung Kong	20.50	20.60
China Light Pwr	21.30	21.30
Dairy Farm Int'l	10	9.95
Hang Lung Dev	7.90	7.85
Hang Seng Bank	32	32
Henderson Land	12.90	12.70
HK Air Eng.	17.60	17.50
HK China Gas	10.10	10.10
HK Electric	12.80	12.80
HK Land	8.75	8.75
HK Realty Trust	6.75	6.80
HK Shang Bank	30.75	30.75
HK Shang Htls	4.70	4.65
HK Telecomm	6.90	6.90
HK Ferry	5.15	5.15
Hutch Whampoa	14.30	14.40
Hyson Dev	8.10	8.05
Jardine Math.	32	32
Jardine Str Hld	15.90	15.90
Kowloon Motor	7.95	7.95
Mandarin Orient	4.65	4.65
Miramar Hotel	5.90	5.90
New World Dev	10.80	10.70
SHK Props	21.80	21.70
Stelux	3.40	3.45
Swire Pac A	21.90	21.80
Tai Cheung Prps	4.88	4.70
TVE	1.93	1.94
Wharf Hold	10.30	10
Wing On Co	7.40	7.45
Winsor Ind.	9.55	9.75
World Int'l	5.35	5.35

Hang Seng Index : 3966.93
Previous : 3957.27

Johannesburg

	Close	Prev.
AECI	10.85	10.75
Altech	92	92
Anglo Amer	117.25	119
Barlows	47.25	48
Blyvoor	6.25	6.25
Buffels	37.25	37.25
De Beers	85.25	86.85
Driefontein	37.50	39.50
Gencor	13	13.15
GFSA	69	70.50
Harmony	17	18
Highveld Steel	15.65	15.65
Kloof	28	29.25
Nedbank Grp	14.50	14.50
Randfontein	13	13.65
Rusplat	64	66
SA Brews	56.50	58.25
St Helena	22.25	22.25
Sasol	16.85	17.50
Welkom	13	14.50
Western Deep	101	106

Composite Stock Index : 3422
Previous : 3452

London

	Close	Prev.
Abbey Nat'l	2.96	3.01
Allied Lyons	N.A.	6.04
Arjo Wiggins	2.72	2.71
Argyll Group	3.05	3.04
ASDA Group	N.A.	0.99
Ass Brit Foods	5.07	5.07
BAA	4.53	4.52
BAe	5.20	5.10
Bank Scotland	1.19	1.23
Barclays	4.67	4.68
Bass	9.83	9.80
BAT	N.A.	6.76
BET	2.22	2.20
BICC	N.A.	4.50
Blue Circle	N.A.	2.71
BOC Group	N.A.	5.91
Boots	4.41	4.39
BP	3.42	3.44
Brit Airways	1.85	1.89
Brit Gas	2.69	2.71
Brit Steel	1.21	1.22
Brit Telecom	3.90	3.91
BTR	4.47	4.39
Cable Wire	5.90	5.75
Cadbury Sch	4.05	3.97
Comm Union	5.23	5.15
Courtaulds	4.98	4.97
Enterprise Oil	5.21	5.15
Eurotunnel	4.73	4.85
Fisons	5.04	5.11
Forte	2.86	2.89
GEC	1.95	1.97
Gen'l Acc	5.58	5.70
Glaxo	13.23	13.22
Grand Met	8.27	8.30
GRE	1.89	1.89
Guinness	10.08	10.13
GUS A	13.80	13.87
Hanson	2.15	2.18
Hawker Sidd	5.95	5.92
Hillsdown	2.52	2.52
ICI	13.22	13.18
Kingfisher	5.77	5.71
Ladbroke	2.82	2.82
Land Sec	5.28	5.31
Lasmo	3.15	3.15
Legal Gen Grp	4.35	4.38
Lloyds Bank	3.99	4
Lonrho	2.39	2.38
Lucas Ind	1.51	1.54
Marks Sp	2.83	2.83
Maxwell	1.80	1.81
MEPC	4.86	4.87
Midland Bk	2.45	2.49
Nat'l Power	1.54	1.54
NatWest	N.A.	3.52
NthWst Water	3.84	3.82
Pearson	N.A.	7.54
P & O	5.27	5.61
Pilkington	1.62	1.64
PowerGen	1.67	1.65
Prudential	2.53	2.50
Racal Elec	2.31	2.33
Rank Org	7.33	7.28
Reckitt Col	6.89	6.80
Redland	5.93	5.85
Reed Intl	4.88	4.83
Reuters	8.97	8.89
RMC Group	6.70	6.65
Rolls Royce	1.39	1.38
Rothmans	10.55	10.65
Royal Ins	3.78	3.87
Royal Scot	1.85	1.84
RTZ	5.70	5.85
Sainsbury	3.64	3.67
Scot Newcas	4.18	4.13
Sears Holds	0.91	0.91
Severn Trent	3.52	3.52
Shell	5.25	5.23
Smith Nephew	1.35	1.35
SmithKline B	7.77	7.80
Sun Alliance	3.66	3.69
Tarmac	2.35	2.35
Tate & Lyle	3.66	4.02
Tesco	2.79	2.77
Thorn EMI	N.A.	8.03
Trafalgar Hse	2.36	2.30
TSB Group	N.A.	1.52
Ultramar	2.64	2.67
Unilever	7.65	7.65
Utd Biscuits	4	3.96
War Loan 3½	36.44	36.38
Wellcome	7.18	7.18
Whitbread	5.05	5.02
Williams Hdgs	3.66	3.63
Willis Corroon	2.98	2.94

F.T. 30 Index : 2046.80
Previous : 2073.70
F.T.S.E. 100 Index : 2626.60
Previous : 2630.80

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	3175	3190
Banco Central	4210	4220
Bco. Santander	5060	5050
Banesto	3685	3685
CEPSA	N.A.	2230
Dragados	2350	2370
Iberdrola I	694	695
Telefonica	994	996

S.E. General Index : 269.91
Previous : 270.60

Milan

	Close	Prev.
Alenia	2789	2800
Banca Comm	4730	4730
Bastogi	201	201
Benetton group	9910	9950
Ciga hotels	2381	2400
CIR	2470	2510
Cred Ital	2625	2640
Enichem	1459	1470
Eridania	7310	7345
Ferfin	1989	2001
Ferfin Risp	1250	1265
Fiat SPA	5425	5480
Generali	29350	29675
IFI	14170	14350
Italcem	21950	22000
Italgas	3155	3184
Italmobiliare	71200	71750
Mediobanca	14775	14905
Montedison	1267	1281
Olivetti	3170	3240
Pirelli	1943	1965
RAS	16650	16810
Rinascente	7302	7320
Saipem	1565	1585
SIP	1070	1073
SME	3140	3180
Snia	1281	1285
Standa	34250	34350
Stet	1916	1945
Toro Assi Risp	21390	21480

MIB Index : 1092
Previous : 1100

Montreal

	Close	Prev.
Alcan Aluminum	23	22⅝
Bank Montreal	37⅜	37½
Bell Canada	44⅛	44⅛
Bombardier A	23½	23¼
Bombardier B	23½	23⅝
Cambior	8⅞	9⅛
Cascades	5⅝	5
Dominion Text A	7⅝	7½
Donohue	N.Q.	—
MacMillan Bl	18⅛	18¼
Memotec	N.Q.	—
Natl Bk Canada	11	11⅛
Power Corp.	15⅛	15⅛
Provigo	13	12⅞
Quebec Tel	16⅞	16⅞
Quebecor A	17⅝	18
Quebecor B	17	17¼
Videotron	13⅛	13⅜

Industrials Index : 1576.11
Previous : 1578.51

Paris

	Close	Prev
Accor	795	795
Air Liquide	691	697
Alcatel Alsthom	587	585
Bancaire (Cie)	515	537
BIC	724	733
Bouygues	586	582
BSN-GD	925	922
Carrefour	1991	2004
C.C.F.	178.10	179.30
Cerus	131	127
Chargeurs	870	844
Club Med	447	447
Elf-Aquitaine	381.60	380
Gen. Eaux	2500	2501
Eurodisneyland	138.70	138
Hachette	189	190
Havas	515	520
Imetal	273	274.50
Lafarge Coppee	355.30	349
Legrand	3757	3767
Lyon. Eaux	545	543
Oreal (L')	621	622
L.V.M.H.	4000	3995
Matra	187.70	185
Merlin Gerin	534	536
Michelin B	119.40	118.80
Moulinex	160	161
Paribas	425	424.50
Pechiney Intl	166.80	165
Pernod-Ricard	1241	1233
Perrier	1345	1348
Peugeot	600	603
Printemps (Au)	872	871
Radiotechnique	505	505
Raff. St. Louis	1469	1445
Redoute (La)	4580	4560
Saint Gobain	466	463.20
Sanofi	940	934
S.E.B.	1730	1722
Ste Generale A	449	445
Suez	341	338.50
Thomson-CSF	143.60	144.50
Total	877	877
U.A.P.	578	520
Valeo	531	532

CAC 40 Index : 1842.54
Previous : 1840.47

Sao Paulo

	Close	Prev.
Banco do Brasil	198	182
Bradesco	10	9.20
Brahma	57	56
Paranapanema	5.50	5.40
Petrobras	2100	2000
Vale Rio Doce	351	329
Varig	47	45.10

Bovespa Index : 25846
Previous : 24770

Singapore

	Close	Prev.
City Dev	3.38	3.44
DBS	11.80	11.90
Fraser Neave	8.30	8.25
Golden Hope Pl	1.11	1.13
Haw Par	2.40	2.45
Hume Industries	3.04	3.08
Inchcape	3.90	4.02
Keppel	7.45	7.35
KL Kepong	2.15	2.25
Lum Chang	1.01	1
Malayan Banking	3.84	3.86
OCBC	8.55	8.60
OUB	4.52	4.56
OUE	7.25	7.30
Sembawang	7.30	7.25
Shangrila	5.65	5.65
Sime Darby	2.14	2.14
SIA	13.30	13.40
S'pore Land	5.40	5.48
S'pore Press	8.75	8.70
Sing Steamship	2.37	2.39
Straits Trading	2.63	2.64
UOB	6.25	6.30
UOL	1.51	1.51

Straits Times Ind. : 1417.93
Previous : 1419.46

Stockholm

	Close	Prev.
AGA	N.Q.	—
Asea	412	411
Astra-A	524	521
Atlas Copco	275	272
Electrolux B	286	285
Ericsson	179	177
Esselte-A	145	145
Handelsbanken	108	103
Norsk Hydro	187.50	187.50
Procordia AF	203	200
Providentia	104	106
Sandvik	N.A.	—
SCA-A	109	107
S-E. Banken	66	64.50
Skandia F	183	180
Skanska	168	165
SKF	116	114
Stora	340	335
Trelleborg B	115	115
Volvo	372	365

Affaersvaerlden : 1182.90
Previous : 1092.90

Sydney

	Close	Prev.
ANZ	3.78	3.82
BHP	13.70	13.75
Boral	3.29	3.29
Bougainville	0.70	0.70
Coles Myer	10.55	10.65
Comalco	3.95	3.95
CRA	13.25	13.25
CSR	5.18	5.14
Dunlop	5.16	5.14
Fosters Brew	1.81	1.82
ICI Australia	4.10	4.12
Magellan	2.25	2.25
MIM	2.11	2.12
Nat Aust Bank	7.26	7.16
News Corp	9.98	10.05
Nine Network	0.61	0.62
N Broken Hill	2.63	2.61
Poseidon	1.15	1.15
QCT Resources	1.22	1.22
Santos	3.36	3.39
TNT	0.97	0.95
Western Mining	4.95	4.92
Westpac Banking	4.75	4.77
Woodside	3.56	3.54

All ordinaries index : 1561.80
Previous : 1558.10

Tokyo

	Close	Prev.
Akai Electr	1100	1090
Asahi Chemical	762	773
Asahi Glass	1220	1200
Bank of Tokyo	1390	1390
Bridgestone	1060	1050
Canon	1460	1480
Casio	1340	1340
C.Itoh	668	661
Dai Nippon Print	1380	1390
Daiwa House	1840	1820
Daiwa Securities	1230	1250
Fanuc	4390	4400
Fuji Bank	2430	2430
Fuji Photo	3290	3270
Fujitsu	939	960
Hitachi	1030	1030
Hitachi Cable	985	985
Honda	1480	1490
Ito Yokado	4580	4570
Japan Airlines	1190	1210
Kajima	1400	1400
Kansai Power	2900	2910
Kawasaki Steel	472	428
Kirin Brewery	1340	1330
Komatsu	787	780
Kubota	619	615
Kyocera	5200	5170
Matsu Elec Inds	1560	1550
Matsu Elec Wks	1400	1400
Mitsubishi Bk	2640	2640
Mitsubishi Kasei	542	525
Mitsubishi Elec	647	651
Mitsubishi Hev	722	723
Mitsubishi Corp	1320	1300
Mitsui and Co	785	767
Mitsukoshi	1110	1110
Mitsumi	1510	1480
NEC	1250	1280
NGK Insulators	978	980
Nikko Securities	894	891
Nippon Kogaku	930	930
Nippon Oil	965	970
Nippon Steel	419	420
Nippon Yusen	607	600
Nissan	655	651
Nomura Sec	1630	1640
NTT (SF)	7397	8488
Olympus Optical	1270	1270
Pioneer	3280	3260
Ricoh	630	635
Sanyo Elec	506	511
Sharp	1450	1430
Shimazu	710	714
Shinetsu Chem	1530	1560
Sony	5390	5630
Sumitomo Bk	2080	2100
Sumitomo Chem	465	463
Sumi Marine	1020	1040
Sumitomo Metal	430	423
Taisei Corp	914	898
Taisho Marine	1050	1030
Takeda Chem	1430	1450
TDK	5470	5450
Teijin	530	530
Tokyo Marine	1340	1320
Tokyo Elec Pw	3620	3680
Toppan Printing	1290	1270
Toray Ind.	644	622
Toshiba	668	670
Toyota	1530	1520
Yamaichi Sec	871	870

Nikkei 225 : 22505
Previous : 22412
Topix Index : 1748
Previous : 1749

Toronto

	Close	Prev.
Abitibi Price	16⅛	16½
Agnico Eagle	4.60	4.80
Air Canada	8	7⅜
Alberta Energy	13⅝	14
Am Barrick Res	24½	25⅜
BCE	44⅛	44⅛
BCED	0.13	0.13
Bk Nova Scotia	19⅞	19½
BC Gas	15⅜	15⅜
BC Phone	19¼	19½
BP Canada	13⅛	13
Bramalea	5⅝	5⅝
Brunswick	7⅛	7½
CAE	7½	7⅝
Campeau	0.44	0.45
CIBC	32	32⅛
Canadian Pacific	18⅛	18⅛
Can Packers	16⅛	16⅜
Can Tire A	22⅝	23⅛
Canadian Turbo	1.85	1.90
Cantor	25⅜	25⅜
Cara	5⅛	5¼
CCL Ind B	10½	10⅜
Cineplex	4.10	4.10
Cominco	23	22⅞
Conwest Expl A	12⅛	12⅛
Corona Intl	6⅜	6⅝
Denison Min B	0.26	0.30
Dickenson Min A	2⅝	2⅝
Dofasco	18⅝	18⅛
Dylex A	4.20	4
Echo Bay Mines	8⅞	9
Equity Silver A	1.04	1.08
FCA Intl	N.Q.	—
Fed Ind A	7⅛	7⅛
Fletcher Chall A	16	15⅝
FPI	6⅛	5⅝
GoldCorp	3⅛	3.30
Gulf Cda Res	8½	8½
Hees Intl	17⅛	17⅛
Hemlo Gld Mines	9⅛	9⅛
Hollinger	11⅛	11⅛
Horsham	10⅛	10⅛
Hudson's Bay	34⅛	34⅜
Imasco	30	30
Inco	36½	36¼
Interprov pipe	30⅛	30⅛
Jannock	16⅛	16¼
Labatt	25⅛	26⅛
Loblaw Co	19⅛	19⅛
Mackenzie	6⅜	6⅝
Magna Intl A	12⅛	12⅜
Maritime	20⅛	20⅛
Mark Res	7½	7½
MacLean Hunter	10⅛	10⅝
Molson A	29	29
Noma Ind A	6⅝	6⅝
Noranda	17⅝	18
Noranda Forest	8	8
Norcen Energy	23	23½
Nova Corp	7⅜	7⅜
Oshawa	26⅛	26¼
Pagurin A	6	5⅝
Placer Dome	12⅛	12½
Poco Petroleum	7⅛	7½
PWA Corp	5¼	5
Quebec Sturgeon	0.15	N.Q.
Rayrock	6⅛	6½
Renaissance	15	14⅜
Rogers B	10⅛	10½
Rothmans	73	72½
Royal Bank Can	26⅛	26⅝
Royal TrustCo	9⅛	9⅛
Sceptre Res	2.80	2.80
Scott's Hosp	17½	17⅝
Seagram	123¼	124⅝
Sears Can	12⅛	12¼
Shell Can	43⅛	43⅛
Sherritt Gordon	7⅜	7⅜
SHL Systemhse	4.95	5⅛
Southam	16	16
Spar Aerospace	15⅜	15⅜
Stelco A	5⅛	5⅜
Teck B	19½	20
Thomson News	14	14⅛
Toronto Domn	17⅛	17⅛
Torstar B	23⅛	23⅛
Transalta Util	12⅛	12⅛
TransCda Pipe	16⅛	16⅛
Trilon Finl A	12½	12⅜
Trimac	8⅛	8⅛
Trizec A	11⅛	11⅛
Woodward's Ltd	2.95	2.95

TSE 300 Index : 3429.70
Previous : 3448.20

Zurich

	Close	Prev.
Adia Intl	815	811
Alusuisse	1100	1090
Leu Holdings	1700	1700
Brown Boveri	4580	4590
Ciba Geigy	3190	3130
CS Holding	2070	2040
Elektrow	2770	2750
Fischer	1250	1250
Interdiscount	3000	3000
Jacobs Suchard	N.Q.	—
Jelmoli	1560	1515
Landis Gyr	1100	1110
Moevenpick	3930	3930
Nestle	8440	8430
Oerlikon-B	402	396
Pargesa Hld	1175	1175
Roche Holding B	4950	4950
Safra Republic	86	87
Sandoz	2210	2200
Schindler	4750	4750
Sulzer	490	495
Surveillance	7670	7680
Swissair	770	775
SBC	319	322
Swiss Reinsur	502	504
Swiss Volksbank	1280	1280
Union Bank	3500	3510
Winterthur	3680	3690
Zurich Ins	1955	1960

SBS Index : 634.80
Previous : 633.40

U.S. FUTURES

Via Associated Press Sept. 11

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
3.26	2.58½	Sep	3.16½	3.19	3.14¼	3.18¾	+.07¾
3.26	2.72½	Dec	3.22¾	3.26½	3.21¾	3.26	+.03¾
3.70¼	2.79	Mar	3.25	3.30	3.24½	3.29¾	+.04½
3.31	2.80½	May	3.19½	3.21¾	3.18½	3.21	+.03
3.12¾	2.79	Jul	3.06	3.09	3.04½	3.09	+.04¾
3.19	2.92	Sep	3.12	3.12	3.12	3.12½	+.00¾
Est. Sales	Prev. Sales 7,445						
Prev. Day Open Int. 53,385 up 382							
WHEAT (KCBT) 5,000 bu minimum- dollars per bushel							
		Sep	3.13½	3.16½	3.13½	3.16½	+.03
		Dec	3.19¼	3.23	3.18¾	3.22	+.02½
		Mar	3.20½	3.24½	3.20¼	3.24	+.03
		May	3.15½	3.18¼	3.15½	3.17½	+.02½
		Jul	3.04¾	3.07½	3.03½	3.07½	+.02¾
Est.Sales	Prv.Sales 4,924	Prev.Day Open Int 36,231	Chg. −458				
CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.87½	2.18½	Sep	2.46	2.48¾	2.45½	2.48	+.03
2.75	2.20	Dec	2.51	2.53	2.50½	2.52¾	+.02½
2.77¼	2.28½	Mar	2.58	2.60½	2.58	2.59½	+.02
2.79½	2.34¾	May	2.62¾	2.64¾	2.62¾	2.64¼	+.02¼
2.82	2.39½	Jul	2.65¼	2.66½	2.64½	2.65¾	+.01½
2.65	2.36½	Sep	2.52¼	2.53¾	2.52	2.52¾	+.01
2.59¾	2.36½	Dec	2.49	2.50	2.48½	2.49¼	+.00¾
Est. Sales	Prev. Sales 25,692						
Prev. Day Open Int.212,233 off 311							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
6.54	5.13½	Sep	5.76½	5.83	5.75½	5.82¾	+.09¾
6.74	5.17	Nov	5.85½	5.92	5.85¼	5.91	+.09
6.59	5.27½	Jan	5.97	6.02	5.95¾	6.01	+.08½
6.66	5.38	Mar	6.07	6.11½	6.06	6.11	+.08
6.68	5.47	May	6.13½	6.17½	6.13	6.17¼	+.08¼
6.48	5.62½	Jul	6.19	6.21½	6.17	6.21½	+.07¾
6.40	5.90	Aug	6.13½	6.13½	6.13½	6.15¾	+.05¾
6.28	5.57	Sep	5.90	5.96	5.90	5.94½	+.05½
6.20¾	5.52	Nov	5.85½	5.88½	5.83½	5.88¼	+.06½
Est. Sales	Prev. Sales 22,963						
Prev. Day Open Int. 89,288 off 691							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
195.20	160.00	Sep	189.00	191.50	188.80	191.50	+3.40
195.00	159.90	Oct	187.00	189.40	186.60	189.80	+3.30
196.50	160.00	Dec	185.30	187.40	185.20	187.10	+3.20
197.00	161.30	Jan	184.50	185.80	184.20	185.60	+2.90
1180.00	163.50	Mar	183.50	184.50	183.00	184.10	+2.40
194.00	164.50	May	181.10	182.00	180.60	181.60	+1.10
196.00	166.00	Jul	180.50	181.00	180.00	180.70	+1.20
184.50	172.50	Aug	181.00	181.00	180.00	179.50	+.80
183.50	173.00	Sep	180.00	180.00	180.00	179.50	+1.00
Est. Sales	Prev. Sales 11,101						
Prev. Day Open Int. 64,704 up 970							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
25.10	18.37	Sep	20.22	20.41	20.20	20.41	+.19
24.90	18.50	Oct	20.35	20.44	20.28	20.43	+.20
24.05	18.81	Dec	20.64	20.80	20.62	20.78	+.21
24.15	19.00	Jan	20.88	20.98	20.82	20.97	+.21
24.10	19.22	Mar	21.25	21.35	21.17	21.29	+.21
23.90	19.62	May	21.55	21.60	21.50	21.52	+.21
24.30	19.90	Jul	21.80	21.80	21.80	21.72	+.12
22.10	20.05	Aug				21.72	+.10
21.90	21.20	Sep				21.70	+.08
22.00	21.95	Oct				21.70	+.13
Est. Sales	Prev. Sales 11,407						
Prev. Day Open Int. 65,980 off 859							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
76.90	68.62	Oct	71.98	72.30	71.36	71.40	−.45
77.00	71.15	Dec	74.95	75.15	74.42	74.57	−.33
76.70	71.00	Feb	72.95	73.12	72.55	72.67	−.23
77.00	72.10	Apr	73.55	73.65	73.12	73.15	−.27
75.15	70.25	Jun	71.40	71.45	70.90	71.05	−.38
72.60	69.25	Aug	69.75	69.75	69.40	69.30	−.20
70.12	70.12	Oct	70.17	70.17	70.17	70.17	+.05
Est. Sales 17,476	Prev. Sales 13,119						
Prev. Day Open Int. 73,684 up 322							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
88.95	79.75	Sep	85.70	85.82	84.80	84.82	−.93
88.30	80.20	Oct	84.30	84.47	83.37	83.45	−.97
88.10	80.90	Nov	84.00	84.30	83.15	83.22	−.85
87.80	80.80	Jan	83.65	83.80	82.90	82.97	−.68
87.10	80.27	Mar	82.80	82.80	81.75	81.75	−.85
87.00	79.95	Apr	82.40	82.40	81.40	81.45	−.82
86.50	78.95	May	81.12	81.15	80.50	80.50	−.60
81.00	80.55	Aug	80.80	80.80	80.70	80.70	−.30
Est. Sales 3,058	Prev. Sales 1,456						
Prev. Day Open Int. 10,869 off 8							
HOGS (CME) 40,000 lbs.- cents per lb.							
49.55	42.05	Oct	45.45	45.55	45.25	45.40	+.08
48.92	42.00	Dec	44.97	45.05	44.75	44.97	+.12
48.25	41.60	Feb	44.27	44.40	44.05	44.22	
46.62	40.70	Apr	42.60	42.70	42.42	42.67	+.12
50.60	45.55	Jun	46.80	46.90	46.72	46.75	+.05
48.20	45.60	Jul	46.85	46.85	46.80	46.95	+.10
46.85	44.47	Aug	45.25	45.25	45.25	45.25	−.02
Est. Sales 3,275	Prev. Sales 3,609						
Prev. Day Open Int. 15,977 off 194							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
63.00	43.80	Feb	49.15	49.60	48.55	48.97	−.15
61.00	43.00	Mar	47.10	49.40	48.40	48.85	−.27
58.20	44.50	May	49.60	49.60	49.40	49.82	−.13
57.00	44.90	Jul	50.25	50.25	50.25	50.25	+.25
51.00	42.55	Aug				47.50	
Est. Sales 3,029	Prev. Sales 3,264						
Prev. Day Open Int. 7,126 off 133							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
113.50	77.60	Sep	89.30	89.30	88.25	88.40	−.80
116.00	81.40	Dec	92.50	92.70	91.10	91.75	−.75
107.50	85.00	Mar	95.70	95.70	94.20	94.80	−.90
108.00	87.40	May	98.10	98.10	96.60	97.25	−.40
108.00	90.50	Jul	99.50	99.75	99.00	99.40	−.90
108.00	92.25	Sep	102.20	102.20	102.20	102.20	−.80
107.25	98.80	Dec	106.00	106.00	106.00	106.50	−.40
Est. Sales 7,612	Prev. Sales 13,444						
Prev. Day Open Int. 41,847 up 642							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
14.40	7.45	Oct	8.90	9.07	8.83	9.04	+.14
10.14	7.56	Mar	8.60	8.80	8.56	8.78	+.16
9.77	7.65	May	8.53	8.77	8.51	8.76	+.17
9.05	7.80	Jul	8.53	8.76	8.50	8.76	+.18
9.00	7.93	Oct	8.60	8.74	8.60	8.73	+.17
Est. Sales 16,124	Prev. Sales 19,177						
Prev. Day Open Int.103,791 up 191							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1515	893	Sep	1166	1166	1160	1160	+10
1525	957	Dec	1205	1210	1186	1200	+15
1538	997	Mar	1252	1259	1238	1252	+14
1585	1026	May	1288	1288	1276	1281	+15
1385	1056	Jul	1310	1310	1310	1305	+10
1317	1080	Sep				1322	+4
1366	1119	Dec				1358	+8
1386	1272	Mar	1395	1395	1395	1393	+11
1411	1210	May	1415	1418	1403	1414	+7
1447	1294	Jul				1437	+9
Est. Sales 4,153	Prev. Sales 2,494						
Prev. Day Open Int. 53,930 off 216							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
127.00	106.00	Sep	118.45	118.45	117.50	117.45	−.40
121.00	111.00	Nov	116.35	117.00	115.60	116.05	−.20
120.50	112.65	Jan	116.30	116.90	115.75	115.80	−.35
120.80	113.60	Mar	117.10	117.50	116.30	116.70	−.10
120.20	115.00	May				117.75	+.10
120.80	115.25	Jul				117.75	+.10
120.30	118.00	Sep				117.75	+.10
		Nov				117.75	+.10
		Jan				117.75	+.10
Est. Sales 1,000	Prev. Sales 1,920						
Prev. Day Open Int. 8,817 off 289							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER (COMEX) 25,000 lbs.- cents per lb.							
110.50	97.20	Sep	106.30	107.50	106.05	106.90	+.25
106.90	95.30	Oct	105.90	105.90	105.30	105.85	+.10
106.80	95.10	Nov	105.10	105.20	104.20	105.30	−.15
108.50	94.50	Dec	104.50	105.00	103.90	104.75	−.15
104.90	95.00	Jan				103.90	−.15
105.10	95.00	Feb				103.25	−.15
106.80	93.90	Mar	102.50	102.70	101.90	102.60	−.20
100.50	93.50	Apr				102.00	−.20
104.20	93.30	May	101.40	101.40	101.30	101.50	−.20
99.90	95.10	Jun				101.10	−.20
103.80	92.80	Jul	100.55	100.55	100.20	100.70	−.20
99.10	98.70	Aug				100.30	−.20
103.45	92.80	Sep	99.80	99.80	99.70	100.00	−.20
100.50	91.60	Dec	98.75	98.75	98.53	99.00	−.20
97.60	2.50	Jan				98.50	−.20
98.00	92.80	Mar				98.00	−.20
96.10	93.70	May	97.60	97.60	97.50	97.70	−.20
		Jul				97.45	−.20
Est. Sales 4,000	Prev. Sales 3,486						
Prev. Day Open Int. 41,474 up 290							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
654.0	367.5	Sep	390.0	395.0	389.5	394.2	−4.0
398.0	398.0	Oct				395.2	−4.2
386.0	386.0	Nov				397.3	−4.2
623.5	374.0	Dec	396.0	401.5	395.0	399.8	−4.2
596.0	391.0	Jan				401.9	−4.3
613.0	382.0	Mar	403.5	407.5	402.5	406.5	−4.3
589.0	385.0	May	405.0	412.0	405.0	411.1	−4.3
557.0	395.0	Jul	411.5	413.0	411.5	415.4	−4.3
483.0	408.0	Sep	419.0	419.0	419.0	420.2	−4.3
507.0	408.0	Dec	428.5	430.0	428.5	427.4	−4.4
505.0	440.0	Jan				430.2	−4.4
513.0	429.0	Mar	436.5	436.5	435.5	435.1	−4.5
473.0	438.0	May	440.0	440.0	440.0	440.8	−4.5
458.5	439.0	Jul				446.5	−4.5
Est. Sales 22,000	Prev. Sales 14,219						
Prev. Day Open Int. 87,083 up 159							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
513.00	330.00	Oct	344.50	345.50	343.00	344.20	−4.60
451.50	334.50	Jan	349.00	350.00	347.50	348.50	−4.60
438.50	339.50	Apr	352.00	353.50	352.00	352.40	−4.50
427.50	342.00	Jul	355.00	355.80	355.00	356.20	−4.50
404.00	356.50	Oct	363.80	363.80	363.80	363.50	−4.50
Est. Sales 2,090	Prev. Sales 928						
Prev. Day Open Int.							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
119.40	77.50	Sep	81.75	81.75	81.50	81.30	−.85
114.50	78.00	Dec	81.50	82.00	81.50	81.80	−.60
135.75	80.30	Mar	82.50	82.50	82.50	82.70	−.60
101.75	83.50	Jun				84.20	−.60
Est. Sales 71	Prev. Sales 158						
Prev. Day Open Int.							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
375.00	346.20	Sep	341.00	341.00	341.00	345.40	−4.50
476.80	346.50	Oct	346.00	346.80	343.00	346.30	−4.60
		Nov				347.80	−4.60
483.00	350.00	Dec	349.50	349.80	346.00	349.40	−4.60
456.50	353.50	Feb	351.00	352.70	349.80	352.50	−4.60
446.00	355.00	Apr	354.00	355.30	354.00	355.40	−4.60
467.00	340.00	Jun	359.50	359.50	359.50	358.40	−4.60
426.50	362.00	Aug	360.00	360.80	360.00	361.50	−4.60
410.80	366.60	Oct				364.60	−4.70
406.80	370.50	Dec	366.60	368.00	366.60	367.70	−4.70
404.20	404.20	Feb				371.10	−4.70
410.00	381.70	Apr				374.40	−4.70
411.80	384.60	Jun	378.00	378.00	378.00	377.90	−4.70
Est. Sales 42,000	Prev. Sales 21,463						
Prev. Day Open Int.104,336 up 582							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
95.12	91.60	Sep	94.77	94.78	94.74	94.75	−.02
95.20	92.24	Dec	94.79	94.80	94.74	94.77	−.02
95.20	93.42	Mar	94.79	94.79	94.74	94.75	−.05
94.65	93.15	Jun				94.55	
94.16	93.87	Sep				94.18	
		Dec				93.68	
Est. Sales 6,241	Prev. Sales 5,280						
Prev. Day Open Int. 48,925 off 1,420							
5 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
03.200	98.275	Sep	103.025	103.040	103.010	103.010	−.005
02.150	98.190	Dec	102.105	102.140	102.090	102.105	−.005
01.085	99.250	Mar				101.225	−.005
Est. Sales	Prev. Sales 16,443						
Prev. Day Open Int. 84,462 off 139							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
101-21	96-1	Sep	101-13	101-18	101-10	101-11	−2
100-31	95-15	Dec	100-24	100-28	100-19	100-21	−2
100-10	95-8	Mar	100-2	100-2	100-1	100-1	−2
99-13	98-11	Jun				99-14	−2
Est. Sales	Prev. Sales 26,136						
Prev. Day Open Int. 94,926 off 1,859							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
99-5	85-29	Sep	98-22	98-30	98-17	98-21	−2
98-20	85-19	Dec	97-29	98-4	97-21	97-26	−2
98-13	85-14	Mar	97-4	97-11	96-31	97-3	−2
97-19	85-3	Jun	96-15	96-18	96-15	96-12	−2
96-1	87-14	Sep	95-26	95-26	95-26	95-23	−2
95-16	85-6	Dec				95-5	−2
94-26	90-16	Mar				94-21	−2
92-29	90-22	Jun				94-5	−2
91	90	Sep				93-22	−2
		Dec				93-8	−2
90-7	90	Mar				92-27	−2
Est. Sales	Prev. Sales189,556						
Prev. Day Open Int.315,389 up 1,979							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
94-2	84-7	Sep	93-31	94	93-28	94	+3
93-12	88-16	Dec	93-8	93-13	93-6	93-9	+1
92-28	88	Mar	92-24	92-24	92-22	92-22	−2
Est. Sales	Prev. Sales 2,147						
Prev. Day Open Int. 8,032 up 11							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
94.48	90.04	Sep	94.38	94.39	94.36	94.38	
94.22	90.04	Dec	94.18	94.19	94.12	94.15	−.04
94.23	90.09	Mar	94.17	94.18	94.13	94.13	−.05
93.93	90.35	Jun	93.88	93.89	93.83	93.84	−.04
92.55	90.32	Sep	93.49	93.51	93.45	93.46	−.05
92.98	90.24	Dec	92.94	92.95	92.89	92.91	−.04
92.81	90.28	Mar	92.77	92.80	92.75	92.77	−.02
92.52	90.27	Jun	92.49	92.52	92.48	92.51	
92.29	90.27	Sep	92.26	92.28	92.26	92.28	
91.99	90.22	Dec	91.95	91.99	91.95	91.98	+.01
92.01	90.24	Mar	91.97	92.01	91.97	92.00	+.01
91.89	90.40	Jun	91.86	91.89	91.86	91.89	+.01
91.76	90.36	Sep	91.73	91.77	91.73	91.76	+.01
91.56	90.71	Dec	91.56	91.56	91.56	91.56	+.01
91.59	90.75	Mar	91.56	91.59	91.56	91.59	+.01
91.51	90.71	Jun	91.50	91.51	91.50	91.51	+.01
Est. Sales126,183	Prev. Sales175,724						
Prev. Day Open Int.946,612 up 7,288							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.9340	1.5824	Sep	1.7266	1.7292	1.7202	1.7270	−12
1.7900	1.5670	Dec	1.7078	1.7106	1.7014	1.7086	−12
1.7020	1.5670	Mar	1.6906	1.6940	1.6880	1.6928	−12
		Jun				1.6780	−12
Est. Sales 17,409	Prev. Sales 21,310						
Prev. Day Open Int. 36,796 up 3,529							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8779	.7985	Sep	.8779	.8788	.8779	.8783	+16
.8718	.8175	Dec	.8721	.8727	.8718	.8723	+16
.8662	.8268	Mar	.8662	.8662	.8662	.8669	+19
.8600	.8330	Jun				.8615	+16
.8540	.8420	Sep				.8565	+16
		Dec				.8515	+16
Est. Sales 16,022	Prev. Sales 19,768						
Prev. Day Open Int. 35,911 up 3,578							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6810	.5401	Sep	.5889	.5906	.5873	.5901	
.6770	.5365	Dec	.5839	.5852	.5819	.5848	
.5840	.5353	Mar	.5788	.5803	.5768	.5798	−1
.5622	.5322	Jun	.5730	.5730	.5730	.5754	
Est. Sales 38,542	Prev. Sales 54,568						
Prev. Day Open Int. 89,379 off 1,166							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.007870	.007003	Sep	.007415	.007416	.007394	.007407	−9
.007559	.006997	Dec	.007392	.007395	.007372	.007385	−9
.007400	.007080	Mar	.007374	.007376	.007374	.007376	−8
.007281	.007150	Jun				.007376	−5
.007280	.007280	Sep				.007377	−5
Est. Sales 22,468	Prev. Sales 36,974						
Prev. Day Open Int. 74,956 up 2,569							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.8055	.6254	Sep	.6745	.6748	.6708	.6742	−12
.8090	.6240	Dec	.6700	.6706	.6666	.6699	−13
.6995	.6267	Mar	.6658	.6667	.6635	.6667	−14
		Jun				.6637	−14
Est. Sales 24,767	Prev. Sales 33,101						
Prev. Day Open Int. 36,931							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
83.30	62.30	Oct	65.40	65.68	64.70	64.70	−.80
76.35	63.51	Dec	66.48	66.75	65.75	65.78	−.79
77.15	64.65	Mar	67.70	68.05	67.10	67.15	−.60
92.25	65.10	May	68.50	68.70	67.80	67.88	−.65
77.70	66.50	Jul	68.45	68.75	68.50	67.88	−.62
70.60	66.35	Oct	67.05	67.10	67.01	67.02	−.40
69.00	65.65	Dec	66.85	67.00	66.65	66.60	−.30
Est. Sales 5,000	Prev. Sales 3,283						
Prev. Day Open Int. 38,528 off 169							
HEATING OIL (NYME) 42,000 gal- cents per gal							
85.00	51.30	Oct	61.80	61.70	60.50	61.70	+.35
78.00	52.30	Nov	61.80	63.00	61.70	63.00	+.47
82.62	53.30	Dec	63.50	64.00	62.90	63.90	+.33
69.10	53.40	Jan	63.50	64.15	63.15	64.15	+.40
67.30	52.25	Feb	62.50	62.90	61.90	62.98	+.33
64.50	51.48	Mar	59.90	60.25	59.50	60.25	+.28
61.80	50.00	Apr	57.40	57.40	57.20	57.30	−.42
59.90	49.25	May	56.00	56.00	55.85	55.85	−.37
58.50	48.00	Jun	55.00	55.00	54.80	54.90	+.01
58.30	51.60	Jul	54.70	54.70	54.70	54.95	+.13
57.65	52.75	Aug	55.25	55.30	55.25	55.30	−.12
Est. Sales 34,806	Prev. Sales 24,147						
Prev. Day Open Int.133,030 up 3,963							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
28.40	17.84	Oct	21.47	21.65	21.27	21.60	+.19
28.10	17.20	Nov	21.40	21.60	21.24	21.60	+.22
27.70	17.10	Dec	21.36	21.53	21.19	21.46	+.16
27.60	17.25	Jan	21.27	21.36	21.10	21.35	+.11
22.00	17.50	Feb	21.16	21.20	21.02	21.18	+.04
25.75	17.25	Mar	20.96	21.02	20.95	21.02	
26.50	17.50	Apr	20.85	20.94	20.82	20.94	+.02
24.60	17.30	May	20.85	20.85	20.77	20.85	+.01
24.50	17.70	Jun	20.75	20.75	20.70	20.76	−.05
22.11	17.90	Jul	20.65	20.65	20.58	20.65	−.03
21.33	17.75	Aug	20.57	20.45	20.55	20.65	+.02
24.00	17.78	Sep				20.45	−.17
21.26	18.51	Mar	20.65	20.65	20.65	20.65	−.03
Est. Sales 83,204	Prev. Sales 52,563						
Prev. Day Open Int.257,940 up 3,900							
UNLEADED GASOLINE (NYME) 42,000 gal- cents per gal							
86.75	49.75	Oct	60.60	61.60	60.20	61.40	+.54
66.75	48.60	Nov	59.45	60.20	59.00	60.15	+.55
73.25	47.75	Dec	58.45	59.00	57.95	59.00	+.50
61.60	47.00	Jan	57.50	58.05	57.30	58.05	+.25
61.35	50.70	Feb	57.65	58.35	57.65	58.35	+.30
62.40	56.50	Mar	59.90	59.00	59.00	59.00	+.25
66.40	57.30	Apr	63.65	63.65	63.40	63.60	+.15
63.80	57.30	May	62.90	62.90	62.90	62.90	+.18
63.10	58.00	Jun	62.00	62.00	62.00	62.00	+.25
63.00	58.60	Jul	61.20	61.20	61.20	61.20	+.70
Est. Sales 15,445	Prev. Sales 16,430						
Prev. Day Open Int. 89,143 off 649							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
398.60	304.00	Sep	385.70	386.10	383.95	384.70	−.40
401.50	321.75	Dec	388.50	388.80	386.60	387.40	−.30
403.20	380.00	Mar				390.10	−.40
400.40	392.50	Jun				393.30	−.35
Est. Sales	Prev. Sales 67,722						
Prev. Day Open Int.154,368 up 3,390							
NYSE COMP. INDEX (NYFE) points and cents							
218.45	172.10	Sep	211.65	211.80	210.70	211.20	−.10
219.70	175.50	Dec	213.85	213.10	212.00	212.50	−.10
220.35	207.20	Mar	213.75	214.00	213.45	213.75	−.15
218.20	208.90	Jun				215.00	−.20
Est. Sales	Prev. Sales 5,939						
Prev. Day Open Int. 6,282 off 40							

Commodity Indexes

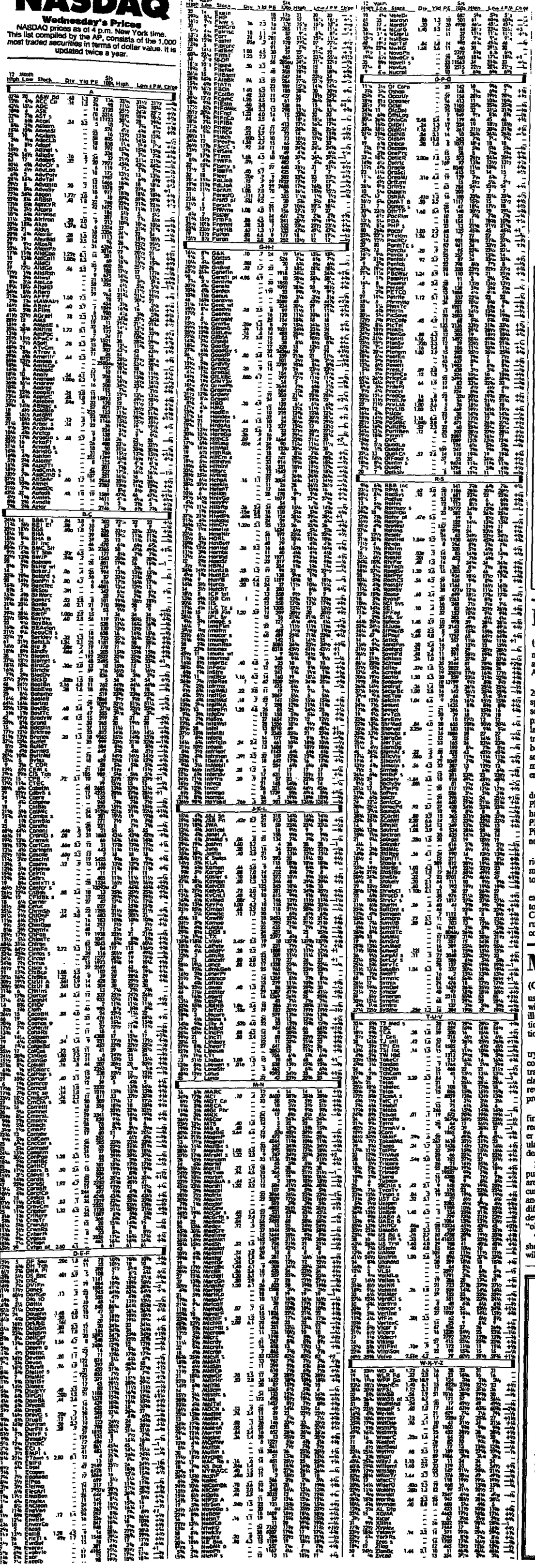
	Close	Previous
Moody's	1,028.10	1,037.10
Reuters	1,470.20	1,470.80
Dow Jones Futures	123.01	123.56
Comm. Research	213.45	214.10

NASDAQ
Wednesday's Prices

NASDAQ

Wednesday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.



£250 Million Charge Will Cut BAe's Profit

Compiled by Our Staff From Dispatches

LONDON — British Aerospace PLC, hard-hit by recession and reduced military spending, said Wednesday that it would take a £250 million ($430 million) charge against profit to cover costs of closing plants and cutting jobs. Stock analysts said the company could have an annual pretax loss approaching £100 million as a result.

The announcement, along with the company's report that first-half profit was down 41 percent to £86 million, sent the stock price plunging 65 pence to close at 445 pence. The stock, which was hammered Monday and Tuesday after the company warned of profit problems for the full year, has lost almost 20 percent of its value since the beginning of the week.

With the stock weak, the company set a relatively low price of 380 pence a share for a rights issue that, as expected, it announced Wednesday. The issue is to raise £432 million in capital to help pay for the restructuring and capital investment, BAe said.

Stock analysts who attended a meeting with BAe officers after the results announcement left unimpressed. "People were disappointed that there was no reassurance given that they would not need another rights issue or have to borrow more," said one analyst who preferred not to be identified.

BAe forecast that its annual pretax profit, before the extraordinary restructuring cost, would be not less than £150 million. Analysts noted that with the charge, there could be a loss of nearly £100 million, compared with a pretax profit of £376 million in 1990.

The company said the thaw in the Cold War that has prompted cuts in defense orders, and shrinking car and civilian aircraft sales because of the recession and reduced air travel during the Gulf war slashed profit in the first half of this year.

Revenue for the half rose slightly, to £4.88 billion.

The chairman, Sir Roland Smith, said that the difficult conditions would continue for the remainder of the year.

Group operating profit, at £213 million, fell only 9 percent. But interest charges, affected by increased inventories, rose significantly, to £100 million.

The slump in new car sales in Britain resulted in a loss of £45 million at its Rover Cars division, compared to a profit of £33 million last year. *(AFP, UPI, Reuters)*

Top Executive Quits at CMB Packaging

Reuters

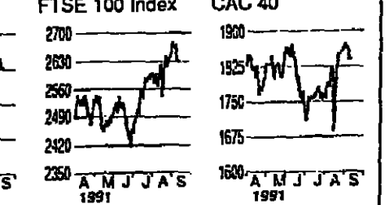
PARIS — Jean-Marie Descarpentries is stepping down as head of CMB Packaging, the French-British company that he built into Europe's largest packager. CMB said Wednesday.

It said its board had agreed to Mr. Descarpentries's request to leave CMB, formed in 1989 by the merger of Carnaud SA and the packaging activities of MB Group PLC. The resignation takes effect Nov. 8.

Speculation that Mr. Descarpentries would quit had been rife. Press reports portrayed him as a victim of his own management style.

CMB took advantage of his departure to reorganize its management structure. It named B. Jurgen Hintz, who was executive vice president of Procter & Gamble Co., as chairman of a new directorate.

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	CBS Trend	92.10	92.20	-0.11
Brussels	Stock Index	5,594.89	5,617.93	-0.41
Frankfurt	DAX	1,628.19	1,629.12	-0.06
Frankfurt	FAZ	675.64	673.48	+0.32
Helsinki	HEX	934.50	936.40	-0.20
London	Financial Times 30	2,066.80	2,072.70	-0.28
London	FTSE 100	2,626.60	2,630.80	-0.16
Madrid	General Index	269.91	270.60	-0.25
Milan	MIB	1,052.00	1,060.00	-0.75
Paris	CAC 40	1,842.56	1,840.47	+0.11
Stockholm	Affarsvarlden	1,102.90	1,092.90	+0.91
Vienna	Stock Index	525.43	531.67	-1.21
Zurich	SBS	624.80	623.60	+0.19

Sources: Reuters, AFP International Herald Tribune

Very briefly:

• **ABB Asea Brown Boveri Ltd.** said its Sweden-based subsidiary, ABB Relays, had signed a letter of intent with the Czechoslovak company **ZPA Trutnov** to combine certain activities in that country.

• **Prudential Corp.**, Britain's largest life insurer, said pretax profit for the first six months of the year had risen 41 percent to £170 million ($292 million).

• **Courtaulds PLC** plans to restructure its BCL Cellophane cellulosic packaging film operations, leading to the loss of 421 jobs in England.

• **Compania Española de Petroleros SA**'s shares were suspended after the company said **Société Nationale Elf Aquitaine** of France would lift its stake to 34 percent from 20 percent.

• **Compagnies Européennes Réunies SA**, Carlo De Benedetti's French holding company, is not considering selling its controlling stake in **Banque Duménil Leblé**, a Duménil spokeswoman said.

• **Beazer PLC** is selling its 50.15 percent stake in Beazer Asia Ltd. to **Bilfinger & Berger Bau AG** for the equivalent of $60 million.

• **Sparekassen Bikuben A/S**, a Danish savings bank, said it was acquiring customer-related operations of **Hafnia Holding A/S**'s banking unit.

• **INI**, the Spanish state holding company, said it had received a proposal from **Messerschmitt Bölkow Blohm GmbH** to lift its stake in *INI*'s unit Construcciones Aeronauticas SA from 3 percent to 33 percent.

• **ASG AB** of Sweden and **Gondrand AG** of Switzerland are to swap 30 percent stakes in their German subsidiaries.

• **Enterprise Oil PLC**'s net profit for the first six months fell 26 percent to £60.3 million despite a rise in output and sales.

• **Alcatel-CIT SA** of France is to form a venture with **Datatim**, a Romanian computer maker, and **Rom Telecom**, the state telecommunications company, to manufacture two digital telephone exchanges.

• **Cadbury Schweppes PLC**, the British foods group, boosted six-month pretax profit 6.5 percent to £111.5 million.

• **L.M. Ericsson** signed contracts worth 480 million kronor ($78 million) to extend mobile phone networks in Malaysia, Singapore and Indonesia.

AFP, AFP-Extel, Reuters

DEFENSE: *Getting Together*

(Continued from first finance page)

ni, to build a new advanced radar antenna for the European Fighter Aircraft.

• A deal between Euromissile, a 20-year-old consortium of Aerospatiale and Germany's Messerschmitt-Bölkow-Blohm GmbH, to produce a new version of the Roland missile, the RM-5, with Matra. (In July, that deal was shelved because European armed forces seemed more interested in refitted missiles than in new models, another example of budget-cut fever.)

• Thomson's acquisition of the defense operations of troubled Philips Electronics NV, as well as half of Ferranti International PLC's sonar business and half of Pilkington PLC's optronics business.

U.S. defense executives are worried that European arms makers may soon intensify their tendency to keep weapons deals at home.

At the heart of that fear is an exemption that military contractors in the 12-nation European Community have from normal rules of competition, including competitive bidding.

"I can, to a certain extent, imagine that there is concern in the United States," acknowledged Frans Andriessen, EC commissioner for foreign affairs. "In the past, the United States has had a very dominant position in this industry."

The stakes are large. The 14 European members of the North Atlantic Treaty Organization spent $50 billion on weapons last year.

The Dutch government, which holds the rotating EC presidency, has proposed ending the defense industry's exemption.

British companies support the idea, but France, Italy and Spain are not as keen. They have uncompetitive and, in many cases, government-owned or -controlled defense firms.

William H. Taft 4th, U.S. ambassador to NATO, wants reform to go a step further. Offering, for the first time, to let European firms into U.S. defense projects involving sensitive technology, he has proposed that allied defense contractors be subjected to the same free-trade rules that the General Agreement on Tariffs and Trade applies to commercial goods.

MANAGER: *Time to Clean Up*

(Continued from first finance page)

use of some customers' accounts without their knowledge to mask illegal activities, as well as violations of rules governing the auctioning of Treasury securities.

Throughout the securities industry, executives in charge of legal compliance, risk management and trading reacted to the Salomon revelations by implementing detailed reviews of their trading records and procedures.

Among the steps the securities firms are taking is keeping better records and more copies of customer orders and tender sheets, particularly on the Treasury securities desk.

If the firms that move quickly to punish those who break the rules are dealt with favorably by the Securities and Exchange Commission and other regulatory agencies, a different Wall Street climate may develop that runs counter to the "old boy" support system.

"This is turning having a clean shop into a competitive tool, but it will only work that way if government rewards a clean shop," said Mr. Russo of Cadwalader, Wickersham & Taft. "If this turns out to be how many scalps government can get, it will turn something that could be a good opportunity into an adversarial situation."

But some Wall Street executives object to what they see as overreaction and hysteria.

"The punishments that are being meted out to people who have made transgressions exceed those that would have been considered fair because in this environment, in which people are overreacting, everyone wants to be seen as swift and harsh," said a senior executive at one of Wall Street's largest securities houses who spoke only on the condition of anonymity.

Salomon continued Tuesday in its efforts to clean up its image in the wake of the scandal. People involved in the case said Tuesday that Warren E. Buffett, the new chairman of the firm, ordered that the firm's commodities unit to cease doing business with Marc Rich, who fled the United States for Switzerland in 1983.

TECH: *Pentagon Seeks New Curbs*

(Continued from first finance page)

a lawyer representing American computer makers.

The proposed controls would apply to computers that use cheap reduced-instruction-set-computing, or RISC, processors. Such machines can reach almost into the realm of supercomputers when performing certain scientific and engineering tasks.

The new Cocom guidelines, which went into effect in September, decontrolled the export of most personal computers but still require a special licensing process for more powerful work stations.

Faster work stations, however, are rapidly becoming commodity products. Both government and industry officials said that in the future it would be virtually impossible to control their export or use.

Furthermore, a number of industry executives said Tuesday, similar technology can be bought in several countries including Japan and Britain and will soon be available in Taiwan and South Korea.

The new controls first became an issue last month during governmental interagency debate over 15 export licenses for the sale of computer work stations to East European countries.

SAVE & PROSPER BALANCED FUND

R.C. B 22823

45, rue des Scillas

L-2529 Luxembourg — Howald

Notice of Meeting

NOTICE is hereby given that the Annual General Meeting of the Fund will be held at the offices of Fleming Fund Management (Luxembourg) SA, 45, rue des Scillas, Howald, Luxembourg on Friday, 27 September 1991 at 11:30 hours.

AGENDA

1. Submission of the Reports of the Board of Directors and of the Auditors.
2. Approval of the financial statements for the year ended June 30, 1991.
3. Discharge of the Directors in respect of their duties carried out for the year ended 30 June 1991.
4. Election of Directors and the Auditors for a term of one year.
5. Declaration of dividend for the period ended 30 June 1991.
6. Miscellaneous business as may properly come before the Meeting.

Resolutions on the agenda of the Annual General Meeting will require no quorum and will be taken at the majority of the shareholders present or represented.

A shareholder entitled to attend and vote at the meeting may appoint a proxy to attend and vote on his behalf and such proxy need not be a shareholder of the Fund.

By Order of the Board of Directors

FIDELITY WORLD FUND

Société d'Investissement à Capital Variable

33, Boulevard Prince Henri

L-1724 Luxembourg

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Shareholders of FIDELITY WORLD FUND, a société d'investissement à capital variable organised under the laws of the Grand Duchy of Luxembourg (the "Fund"), will be held at the registered office of the Fund, 33, Boulevard Prince Henri, L-1724 Luxembourg, at 11:00 a.m. on September 24, 1991, specifically, but without limitation, for the following purposes:

1. Presentation of the Report of the Board of Directors.
2. Presentation of the Report of the Auditor.
3. Approval of the balance sheet and income statement for the fiscal year ended May 31, 1991.
4. Discharge of the Board of Directors and the Auditor.
5. Election of six (6) Directors, specifically the re-election of Messrs. Edward C. Johnson 3d, Charles T. M. Collis, Charles A. Fraser, Jean Hamilius and H. F. van den Hoven, being all of the present Directors other than Harry G. A. Seggerman, who by reason of his retirement does not offer himself for re-election, and the election of Mr. Barry R. J. Bateman, subject to approval by the Institut Monétaire Luxembourgeois and to have effect after such approval.
6. Election of the Auditor, specifically the election of Coopers & Lybrand, Luxembourg.
7. Declaration of a cash dividend in respect of the fiscal year ended May 31, 1991, and authorisation of the Board of Directors to declare further dividends in respect of fiscal year 1991 if necessary to enable the Fund to qualify for "distributor" status under United Kingdom tax law.
8. Consideration of such other business as may properly come before the meeting.

Approval of the above items of the agenda will require the affirmative vote of a majority of the shares present or represented at the meeting with no minimum number of shares present or represented in order for a quorum to be present. Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares which constitute in the aggregate more than three percent (3 %) of the outstanding shares, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

Dated: August 23, 1991

BY ORDER OF THE BOARD OF DIRECTORS

Fidelity Investments

IBM Introduces New Mainframes, Disk Drives

Compiled by Our Staff From Dispatches

NEW YORK — International Business Machines Corp. introduced more than 100 new products and services Wednesday, including seven new mainframe computers and new high-performance disk drives.

IBM also said it would make its most expensive mainframe models, a 900 and an 820, generally available to customers beginning with shipments Sept. 20. Those machines were unveiled last September.

The mainframes announced Wednesday include four water-cooled machines ranging in price from $4.7 million to $11.6 million, which will be available in March.

IBM also introduced three models at the top of its air-cooled line, which will also be available in March.

The new 3390 high-end disk drive, which will be available on Sept. 27, has 50 percent more capacity than IBM's current model, with storage space that can hold the data contained in about 300 sets of a typical encyclopedia.

IBM also announced products that will allow its once-closed mainframe to conform to industry-wide standards. That open systems approach will permit customers to connect their IBM computers with those made by other computer manufacturers.

It also announced software intended to tie together all the computers within a company, no matter what brand.

The company, based in Armonk, New York, faces pressure to boost its revenue and profit. Its operating income plunged 74 percent in the first half of the year, while revenue declined 8 percent. Analysts say IBM is facing the prospect of its first drop in annual revenue since 1946. *(Reuters, AP)*

ELECTRIC: *A Los Angeles Drive*

(Continued from first finance page)

families for whom this would be a second car," said Jerry Enzenauer, the electrical transportation program manager for the city Department of Water and Power.

Whether such a market will materialize is problematic at this point.

The manufacturer, Clean Air Transport of Göteborg, Sweden, has not yet raised the $30 million to $40 million from private investors it needs to begin production. But both company and city officials say they are confident that the car will be available by 1993.

The model displayed in Germany — for now it is named LA301 — is a two-door, four-passenger hatchback capable of accelerating to 50 miles per hour in 17 seconds and reaching a top speed of 75 miles per hour.

Its interior is comparable in size to the BMW 5 series sedan or the Ford Taurus. It is meant mainly for short local trips, like commuting or shopping, the kind of driving that contributes heavily to Los Angeles' air pollution problems.

ENGINE: *Cautious Carmakers*

(Continued from first finance page)

to 20 parts per 1 part gasoline. Most car engines run on a ratio of 14.7 to 1. By thinning, or leaning-out the gasoline part of the mixture, the new Honda engine saves fuel.

For the time being, only the Civic VX will get the new engine to test "customer acceptability," said Eijio Amito, a Honda engineer and senior vice president.

Mitsubishi, employing comparable lean-burn technology, is similarly cautious in introducing its new MVV, for Mitsubishi Vertical Vortex, lean-burn engine to the public. For the moment, the MVV will appear only in Mitsubishi cars sold in Japan. That home-market-first strategy is often used by Japanese carmakers to correct problems in products.

Caution is needed to keep U.S. market expectations realistic, Mr. Amito said. For example, he said, the lean-burn engine cannot operate in the lean mode all of the time. It burns at the conventional 14.7:1 air-fuel ratio at higher speeds, Mr. Amito said.

NYSE

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chg
[illegible]										

AMEX

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chg
[illegible]										

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
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— *hand delivery	A. Sch.	5,600	3,300	3,200	1,750
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Denmark	D.Kr.	3,400	1,332	1,900	1,050
Finland	F.M.	2,200	1,440	1,200	660
France	FF	1,700	1,394	935	515
Germany (mail)	D.M.	640	452	352	194
— *hand delivery	D.M.	810	282	416	217
Great Britain	£	175	98	96	53
Greece	Dr.	57,000	23,080	31,400	17,300
Ireland	£.I.	195	151	107	59
Italy	Lire	450,000	350,800	250,000	138,000
Luxembourg	L.Fr.	12,000	8,020	6,600	3,600
Netherlands	Fl.	650	533	360	200
Norway (airmail)	N.Kr.	3,000	1,732	1,650	900
— *hand delivery	N.Kr.	3,200	1,532	1,760	970
Portugal	Esc.	40,000	25,520	22,000	12,100
Spain (mail)	Ptas.	40,000	23,700	22,000	12,100
— **hand deliv. Barcelona, Bilbao, Seville, Valencia	Ptas.	43,500	20,200	24,000	13,200
— **hand deliv. Madrid	Ptas.	54,600	—	27,300	13,650
Sweden (airmail)	S.Kr.	2,600	1,404	1,430	785
— *hand delivery	S.Kr.	3,100	904	1,700	935
Switzerland	S.Fr.	540	479	295	160
Rest of Europe, N. Africa, form. French Africa, Middle East	$	600	Varies by country	330	180
Rest of Africa, Gulf States, Asia, Central, Latin America	$	750		412	225

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The New Moon Caper: A BCCI Sidelight

By Mark Fineman
Los Angeles Times Service

COLOMBO, Sri Lanka — It wasn't easy to get caught stealing at Bank of Credit & Commerce International, the scandal-ridden financial empire that investigators have described as a global network tailor-made for crooks and con-men.

For example, it was only because of a tardy new moon that police managed to trace Sri Lanka's biggest bank fraud to BCCI's renegade local executive, Imtiaz Ahmad.

Mr. Imtiaz was a BCCI veteran who used the offshore banking branch he managed here to steal more than $10 million from four international banks, including his own. He spent months plotting his crime seven years ago, using his post at BCCI to create his own Swiss bank accounts.

He hired two Sri Lankan accomplices who owned a small telex shop in town and he stole the coded computer chip that was the signature of a telex machine at BCCI's banking operation in Oman. Mr. Imtiaz had worked there before he was transferred to Sri Lanka. He left a paper trail of clues a mile wide during the weeks he put his plan in place, investigators later found. But no one at BCCI took the slightest notice.

On the night Mr. Imtiaz slipped into the telex office in Colombo, which he timed to coincide with the sighting of the new moon that heralds the Islamic holiday of Id al-Fitr and closes all banks and commerce in the Mideast for three days, the Indian-born executive was confident that his bank bosses were looking the other way.

Within minutes that night, Mr. Imtiaz used the stolen telex chip, which identified him as BCCI's National Bank of Oman, to transfer dollars and yen totaling more than $10 million from two banks in Tokyo and one in New York into his own numbered account at a Swiss bank often used by BCCI. In Zurich, his two waiting Sri Lankan accomplices withdrew the money in cash moments later.

It was only after the Swiss bank made a routine check with the bank in Oman, which, unknown to Mr. Imtiaz, was open because the high Islamic committee in Saudi Arabia had failed to sight the moon the previous night, that the Sri Lankans were caught. They later led investigators to Mr. Imtiaz.

Even then, it was only after the personal intervention of the BCCI country manager in Sri Lanka, a man who was fired from the bank years later for challenging similar practices by top BCCI management elsewhere in the world, that Mr. Imtiaz was prosecuted and sentenced to four years in a Sri Lankan prison in 1986.

In Sri Lanka, BCCI and its officials pursued a decade of loose banking, money laundering, corner-cutting and political pandering. Several BCCI officers said it was typical of the bank's deliberately decentralized operations in many of the 76 countries where it gained footholds, largely by selling itself as the financial champion of the Third World.

As occurred in India, Liberia, Sudan and Kenya, local managers in Sri Lanka once were criminally charged with traveler's check irregularities; in several cases, it involved laundering "black money" — illegal cash assets that are undeclared to avoid stiff taxation — into foreign exchange destined for legal accounts abroad.

BCCI also built up a huge portfolio of bad and doubtful loans in Sri Lanka. That record stands as a miniature image of the morass of bad debt that BCCI built up in its worldwide operations.

"It was total mismanagement," said one Sri Lankan bank officer who served with BCCI for seven years. "In the last year or two, the management of credit was going from bad to worse here. Two months ago, I complained that we had something like 1 billion rupees (about $25 million) outstanding in loans that were likely to go bad. I was told to just forget about it."

Another facet of BCCI's Sri Lanka's operation was the utter uninterest in the local branch by the bank's top management in London. There was only one point when London voiced mild concern to Colombo, several Sri Lankan officers recalled. It was in the mid-1980s when the branch had overextended itself to the Sri Lankan government — an exposure of more than $50 million in high-interest loans. They, ironically, resulted from political favors that BCCI executives had been instructed to win at the highest levels in governments throughout the globe.

Ultimately, that debt was repaid. And, when the bank was closed by Sri Lanka's central bank, on the same weekend that the Bank of England shut BCCI in July, the government here actually was a large BCCI depositor. Most senior Sri Lankan bankers interviewed suspect that it was the fear of losing those deposits that was behind the central bank's extraordinary efforts to resurrect and reopen BCCI's Colombo branch last month.

World Bank Said to Bar Japanese Underwriters

Agence France-Presse

TOKYO — The World Bank will exclude Nomura Securities Co. and Nikko Securities Co. as underwriters for an upcoming worldwide bond issue, a Japanese newspaper reported Wednesday.

The bank made the decision after recent admissions by the two companies that their affiliates lent funds to a leading Japanese underworld figure, the Nihon Keizai Shimbun quoted sources in New York as saying.

"The bank takes the case of their transactions with a crime syndicate very seriously," the daily newspaper quoted one of the identified sources as saying.

The World Bank's office here refused to comment on the report, but a spokesman said the bank would be planning its fifth worldwide bond issue of between $1.5 and $2 billion in the next few weeks.

Nomura and Nikko have both been included in syndicates chosen to underwrite the past four global bond issues, the spokesman said. The group usually comprises between 10 and 15 financial institutions from Japan, the United States and Europe.

The World Bank, a multilateral agency based in Washington, is also reported to have barred Salomon Brothers Inc., the Wall Street bond-trading giant, from the upcoming issue because of its illegal actions at U.S. Treasury bond auctions.

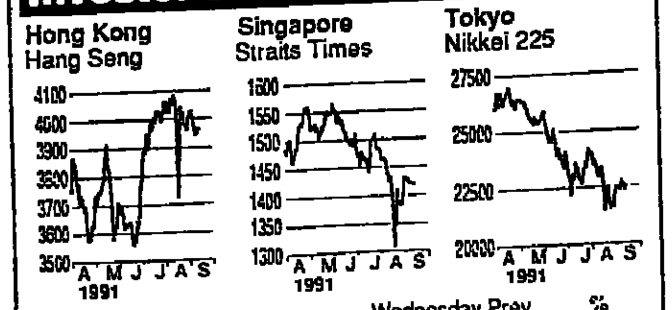
Nomura, the world's biggest securities firm, and Nikko, which is ranked fourth in Japan, said that they had not been officially informed of any such decision by the bank.

The Japanese Finance Ministry, meanwhile, is considering deregulating brokerage commissions in an attempt to prevent stock market scandals from recurring, a leading financial daily said Wednesday.

The ministry will present a deregulation plan to a government advisory panel as early as next month, the Nihon Keizai Shimbun reported. The ministry believes the current fixed-commission system allows securities houses to reap profits large enough to compensate favored clients for trading losses, it said.

Deregulation would allow big firms to undercut smaller competitors but prevent them from accumulating huge amounts of cash to compensate clients.

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	3,966.93	3,959.27	+0.19
Singapore	Straits Times	1,417.93	1,419.46	-0.11
Sydney	All Ordinaries	1,561.00	1,558.10	+0.19
Tokyo	Nikkei 225	22,504.79	22,411.58	+0.42
Kuala Lumpur	Composite	548.78	552.60	-0.69
Bangkok	SET	722.59	729.82	-0.99
Seoul	Composite Stock	690.71	688.69	+0.29
Taipei	Weighted Price	4,668.49	4,722.08	-1.13
Manila	Composite	895.28	946.61	-5.42
Jakarta	Stock Index	297.07	297.07	Unch
New Zealand	NZSE-40	1,418.01	1,425.45	-0.52
Bombay	National Index	Closed	863.15	-

Sources: Reuters, AFP International Herald Tribune

Very briefly:

- **General Electric Co., Hughes Communications Galaxy Inc.** and **Space Systems Loral Inc.** bid to supply telecommunications satellites for **Nippon Telegraph & Telephone Corp.** NTT will make a decision by year-end.
- **Honda Motor Co.** expects car sales of not more than 870,000 to 880,000 in the United States this year, down from a January forecast of 900,000 and compared with 850,000 in 1990.
- **Peninsular & Oriental Steam Navigation Co.** shares will begin trading Thursday on the Hong Kong stock exchange.
- **Hongkong Bank of Canada** said consolidated net income rose to 37.8 million Canadian dollars ($33 million) in the nine months ended July 31, from 34.7 million dollars a year earlier.
- **The Japan Ship Exporters' Association** said new export orders jumped 47.5 percent in August to 13 vessels totaling 256,400 gross tons. The backlog now totals 242 vessels, or 13.4 million gross tons.
- **Nippon Boehringer International Ltd.**, an affiliate of Boehringer Ingelheim International GmbH, said it plans to sever its sales agreement at the end of 1992 with **Tanabe Seiyaku Co.**, which sells 17 of its drugs in Japan.
- **Reserve Bank of India** forecast a slowdown in the nation's economic growth rate to 3 percent in the current fiscal year, which began in March, from 5 percent in the previous year.
- **Eisai Co.** said it had agreed with **American Home Products Corp.** of the United States to establish a joint firm in Tokyo in October to sell food and pharmaceuticals.
- **I/N Kote**, join venture of Inland Steel Co. and Nippon Steel Corp., has begun producing electrogalvanized steel at its $550 million Indiana plant.

Reuters, AFP, Extel, UPI

Taiwan's Petroleum Corp. Builds Refinery Abroad

Agence France-Presse

TAIPEI — Taiwan's state-run Chinese Petroleum Corp. is to build an oil refinery in Malaysia in a 33 billion Taiwan dollar ($1.25 billion) joint venture with two foreign partners, CPC officials said Wednesday.

It would be the first overseas refinery built by CPC, which monopolizes crude imports, refining and domestic sales in Taiwan.

CPC signed a letter of intent with Pacific Resource Investment Co. of the United States and Malaysia's national oil firm, Petronas, on Dec. 17 to jointly evaluate the feasibility of building an oil refinery in the Southeast Asian country, the officials said.

The refinery, to be located in Bintulu in eastern Malaysia, is to process 150,000 barrels of oil per day, they added.

In the joint venture, CPC and Pacific each took a 45 percent stake while the remaining 10 percent would go to Petronas, they said.

The investment project is part of CPC's effort to develop new overseas oilfields and purchase oil exploration rights in a bid to ensure oil sources.

Applied of U.S. to Sell LCD-Making Equipment

By Steven Brull
International Herald Tribune

TOKYO — Applied Materials Inc., the leading U.S. maker of semiconductor production equipment, said Wednesday that it would enter the market for equipment used to make liquid crystal displays, an increasingly important electronics technology but one dominated by Japan.

Applied has begun research and development on equipment for making the LCDs in California and is setting up a subsidiary in Japan that is expected to begin selling the equipment in late 1992. Later, the Japanese subsidiary will take over greater responsibility for research and development.

LCDs, which are found in laptop and notebook computers, instrument panels and tiny televisions, are seen as one of the most strategic technologies of the 1990s. But with the exception of International Business Machines Corp., which makes LCDs in a joint venture with Toshiba Corp., the industry is dominated almost entirely by Japanese manufacturers.

The move by Applied, based in Santa Clara, California, will do little to change the overall balance of the industry. It is the second major U.S. maker after KLA Instruments to enter the Japanese market for LCD fabrication equipment.

"U.S. equipment makers are waking up to the opportunities here; they have technologies to offer," said Steve Myers, an analyst at Jardine Fleming Securities.

James C. Morgan, Applied's chairman, said the company will draw on its expertise to design equipment to make LCDs. "We will continue to focus on our core business but think much of the technology is complementary." He added that 20 to 30 percent of Applied's sales could come from the LCD field by the year 2000.

Applied said the worldwide market for LCDs would rise from $1.8 billion in 1990 to $15 billion in the year 2000. Applied will focus on a fast-growing segment of the market, thin-film transistor active-matrix LCDs. The market for production equipment in this segment was about $450 million in 1991, the company said, and growing rapidly. Applied aims to capture 30 percent of this market, Mr. Morgan said.

Applied reported net income of $34.07 million in the year to Oct. 28, 1990, on sales of $567.1 million.

ADVERTISEMENT

INTERNATIONAL FUNDS

Sept. 11, 1991

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: d - daily; w - weekly; b - bi-monthly; r - regularly; i - twice weekly; m - monthly

Fund	Cur.	Value
ABACUS FUNDS		
w Abacus Fund Ltd	$	6.26
b Abacus Guart.Fd. Mar 94	$	8.93
b Abacus Guart.Fd. July 95	$	9.54
ABC INVESTMENT & SERVICES CO (E.C.)		
m ABC Futures Fund Ltd	$	100.91
ABN BANK LD.86, P.O. Box 669, Amsterdam		
w ABN-Aandelenfonds	Fl	81.60
w ABN-Beleggingsfds Ned.	Fl	61.89
w Aldollar	$	24.69
w Alrenta	Fl	185.28
w America-Fund	$	171.83
w Asian Tigers Fund	$	32.03
w Columbia Securities	Fl	127.26
w LDC Risk Inv. Fund	$	1313.42
w Trans Europe Fund $	$	42.63
w Trans Europe Fund Fl	Fl	81.55
AIG FUND MANAGEMENT Ltd		
d AIG Amer. Eq. Trust	$	26.1056
b AIG Japan Fund	$	99.9565
b AIG South East Asia Fd	$	104.2042
d High Life Fund	Ecu	10.88
d UBZ Euro Optimizer	Ecu	10.75
d UBZ Liquidity Fund $	$	102.8265
d UBZ Liquidity Fund DM	DM	103.6378
d UBZ Liquidity Fund Ecu	Ecu	101.3657
d UBZ Liquidity Fund SF	SF	103.6484
ALFRED BERG		
d Alfred Berg Norden	$	140.30
Alfred Berg Sicav		
d Global	$	133.04
d Germany	$	124.25
d Switzerland	$	93.11
d Netherlands	$	98.02
d North America	$	101.42
ALPHA ASSET MANAGEMENT Ltd		
De Ruyterkade 62, Curacao NA 5999 617844		
m Alpha Europe Fund	Ecu	239.44
m Alpha Futures Fund Ltd	$	149.27
m Alpha Global Fund	$	666.67
m Alpha Hedge Fund	$	333.81
m Alpha Japan Spec. Hge Fd	$	251.93
m Alpha Neutral	$	100.49
m Alpha Pacific Fund Ltd	$	285.35
m Alpha Short Fund Ltd	$	96.65
m Alpha Spec. Situation Fd	$	319.67
m Alpha Tilldale Fund	$	129.26
m Curran-Alpha Hlth Care Fd	$	299.27
w Heisei Japan Fund	Y	12979.00
w Nicholas-Applegate Aurelia	$	170.48
m Nicholas-Applegate Hse Fd	$	126.83
ARRAL ASSOCIATES Ltd		
w Arral American Quant Fd	$	10.53
w Arral Asian Fund	$	152.99
w Arral Int'l Hedge Fund	$	187.30
BA GATEWAY FUND		
w Germany Fixed Income	DM	104.05
w Belgium Fixed Income	BF	11111.00
w US Dollar Fixed Income	$	114.79
w Int'l Portfolio A	Ecu	101.77
w Int'l Portfolio B	Ecu	107.16
w Japan Equity	Y	10009.00
w Pacific Equity	$	96.06
BANQUE BELGE ASSET MGMT FUND		
Shore Distributor Guernsey 0481 726414		
w Int'l Equity Fund (Sicav)	$	10.87
w Int'l Bond Fund (Sicav)	$	12.32
w Dollar Zone Bd Fd (Sicav)	$	10.52
w Sterling Equity Fd (Sicav)	£	1.04
w Sterling Bd Fd (Sicav)	£	1.14
BANQUE DE GESTION E. DE ROTHSCHILD LUXEMBOURG S.A.		
b Eagle Fund	LF	9420.00
b Government Secur. Fd	$	65.91
w Hispano Int'l Fund	Ecu	11.54
w Leicom	$	1967.56
b Opportunites	$	931.48
b Optigest Curaltor Gen.	DM	151.24
b Optigest Fixed Inc.	DM	120.92
b Prifirst	$	526.88
b Prima Fund	DM	43.74
w Rente Plus	BF	4846.00
f Select. Horizon FF	FF	67019.01
b Slor Convert. Fd Fl	Fl	11285.00
b Slor Convert. Fd US$	$	105.10
d The Europe Japan Fund	$	9.27
BANQUE INDOSUEZ		
w The Dragon Fund Sicav	$	101.43
m Galaxy Futures Fund Ltd	$	103.75
m Dual Futures Fd Cl A Units	$	110.09
m Dual Futures Fd Cl B Units	$	111.28
m Dual Futures Fd Cl C Units	$	104.35
m Dual Futures Fd Cl D Units	$	107.22
m Maxima Fut. Fd Ser. 1 Cl. A	$	96.09
m Maxima Fut. Fd Ser. 1 Cl. B	$	99.36
w IPNA-3	$	507.00
w Asian Growth Fund	$	33.37
w ISA Japan Rec. Gr. Fund	Y	937.00
w Pacific Gold	$	11.28
w Asian Income Fund	$	8.76
w Himalayan Fund	$	10.82
w Manila Fund	$	8.86
w Malacca Fund	$	11.95
w The Siam Fund	$	21.43
d Indosuez Hong Kong Fund	$	20.945
w Oriental Venture Trust	$	42.160
w North American Fund	$	35.925
w Singap & Malay Trust	HK$	13.158
w Pacific Trust	$	20.715
w Tasman Fund	$	4.460
w Japan Fund	$	13.285
w Managed Trust	$	18.420
d Japan Warrant Fund	$	1.92
w Worldwide Growth Fund	$	9.73
BANQUE PRIVEE E. DE ROTHSCHILD		
w Daiwa Capital Eq. Fund	$	926.68
w Daiwa LCF Rothschild	$	1041.82
w Ecu d'Or	Ecu	71.05
b Pri-Tech	$	1103.99
b Source Sicav	$	12.89
BANQUE SCANDINAVE EN SUISSE-GENEVA		
w Intelbond Chf	SF	79.10
w Intelsec Chf	SF	172.61
w Swissfund Chf	SF	102.79
w Universal Eurosec Ecu	Ecu	100.72
w Universal Finnsec Global	FM	116.83
w Universal Intelbond $ A	$	16.05
w Universal Intelbond $ B	$	16.71
w Universal Intelbond FF A	FF	108.88
w Universal Intelbond FF B	FF	110.27
w Universal Intelsec $ A	$	14.36
w Universal Intelsec $ B	$	14.52
BEARBULL		
w BB Forex Ltd	$	1097.10
w BB Futures Ltd	$	1032.34
w BB Global BEF	BF	886.00
w BB Global Ltd CHF	SF	8.89
w BB Global Ltd FRF	FF	98.82
BNP INTERFUNDS		
BNP LUXEMBOURG		
w Interbond Fund	$	226.63
w Interbelgian	BF	57716.00
w Interecu Fund A	Ecu	285.17
w Interecu Fund B	Ecu	1099.56
INTER CASH		
f France Capital	FF	13278.37
f France Monetaire	FF	11968.31
f France Securite	FF	14804.90
f Inter Cash DM	DM	2332.79
f Inter Cash Ecu	Ecu	1552.99
f Inter Cash FRF	FF	16254.86
f Inter cash GBP	£	1226.24
f Inter Cash US$	$	1145.47
f Inter Cash Yen	Y	154553.00
INTER OPTIMUM		
w BEF/LUF	BF	80011.00
w Multidevises DM	DM	2313.22
w US$	$	1114.57
w FRF	FF	11828.70
INTER STRATEGIE		
w France	FF	10179.84
w Europe du Nord	£	1082.06
w Europe du Centre	DM	2132.19
w Europe du Sud	Ecu	1026.43
w Japon	Y	129730.00
w Amerique du Nord	$	1169.08
w Sud-Est Asiatique	$	878.23
BNP JERSEY		
INTER CURRENCY		
w DM	DM	35.5558
w GBP	£	13.9984
w US$	$	12.5097
INTER EQUITY		
w Australia Class	$	10.37
w European Class	$	9.48
w French Offer	$	16.77
w North American Offer	$	12.63
w Pacific Offer	$	17.32
BROADGATE INTERNATIONAL FUND		
d $ Money Market	$	14.66
d Non-$ Money Market	DM	35.54
d $ Bond	$	15.32
d Non-$ Bond	DM	34.12
d European Equities	$	18.09
d Global Equity	$	17.82
d Global Bond	$	15.93
d Global Bond & Equity	$	15.63
d Pacific Equities	$	10.81
d Prec. Mets / Min. Secs.	$	5.27
CAISSE CENTRALE DES BANQUES POP.		
w Fructilux Actions Euro	Ecu	1231.56
w Fructilux Actions Fses	FF	7199.74
d Fructilux Court Terme	FF	6878.31
d Fructilux Oblig. Euro	Ecu	1253.79
d Fructilux Oblig. Fses	FF	6788.42
CALLANDER		
w Callander Emer. Growth	$	138.65
w Callander F-Asset	$	98.75
w Callander F-Austria	AS	1401.66
w Callander F-Spanish	Pta	8538.00
w Callander Swiss Growth	SF	131.63
CAPITAL INTERNATIONAL		
w Capital Int'l Fund	$	94.12
w Capital Italia SA	$	36.16
CDC INTERNATIONAL		
w CFI Court Terme	FF	141212.21
w CFI Long Terme	FF	1241599.94
CIC GROUP		
d Obliclc Court Terme	FF	13677.91
d Obliclc Monetaire	FF	13632.04
CITICORP INVESTMENT BANK (Lux)		
POB 1373 Luxembourg Tel. 477 9571		
d Citinvest Guardian	$	1102.27
d Citinvest Guardian Euro	Ecu	1177.56
d Citinvest Mngd Growth	$	1239.27
d Citinvest Mngd Grth Euro	Ecu	1103.29
d Citinvest Selector	$	938.45
d Citicurrencies US$	$	1497.52
d Citicurrencies Managed	$	130.90
d Citicurrencies STG	£	134.09
d Citicurrencies DEM	DM	117.64
d Citicurrencies YEN	Y	11384.00
d Citiport N.A. Equity	$	196.32
d Citiport Japan Equity	Y	5681.00
d Citiport UK Equity	£	120.77
d Citiport IAPEC	$	142.99
d Citiport Cont. Euro. Equity	Ecu	134.86
d Citiport Eamec	$	89.88
d Citiport German	DM	80.92
d Citiport Swiss	SF	90.11
d Citiport French Equity	FF	1123.08
d Citiport N.A. $ Bond	$	138.27
d Citiport Euro Bond	Ecu	120.33
d Citiport Pacific Bond	Y	11774.00
CITITRUST		
w US $ Equities	$	237.02868
w US $ Bonds	$	14.35498
w US $ Money Market	$	14.44595
w Citiland	$	990.66170
w Citiperformance Ptfl A	$	10.37238
w Citiperformance Ptfl B	$	11.18455
m The Good Earth Fund	$	13.23961
COMPASS INTL HOLDINGS Ltd.		
POB 456, Jersey 0534 27267		
w Bond : Dollar Med. Term	$	10.72 •
w Bond : Ecu Multicurr.	Ecu	10.47 •
w Equity : United Kingdom	£	8.39 •
CREDIT AGRICOLE : MOSAIS		
d Actions Int'l Diversifiees	FF	110.33
d Actions Nord-Americaines	$	19.24
d Actions Japonaises	Y	1937.88
d Actions Anglaises	£	12.78
d Actions Allemandes	DM	33.46
d Actions Francaises	FF	112.49
d Actions Esp. & Port.	Pta	2479.54
d Actions Italiennes	Lit	28081.75
d Actions Bassin Med.	Ecu	17.67
d Actions Bassin Pacifique	$	15.30
d Actions Europeennes	Ecu	16.19
d Actions Agro-Aliment.	FF	112.32
d Actions Sect. Comm.	FF	104.62
d Oblig Int'l Diversifiees	FF	113.99
d Oblig Nord-Americaines	$	16.50
d Oblig Japonaises	Y	2098.74
d Oblig Anglaises	£	11.87
d Oblig Allemandes	DM	32.03
d Oblig Francaises	FF	116.92
d Oblig Esp. & Port.	Pta	2269.84
d Oblig Italiennes	Lit	27179.74
d Oblig Bassin Med.	Ecu	17.39
d Oblig Haut Rendement	$	17.65
d Oblig Int'l Div Sensib Red	FF	113.03
d Oblig Convert. Intern.	FF	114.28
d Court Terme Ecu	Ecu	17.52
d Court Terme US$	$	16.29
d Court Terme FF	FF	114.80
CREDIT COMMERCIAL de FRANCE		
w CM Actibonds	$	27.47
w CM Global Growth	$	10.83
w Elysees Monetaire	FF	71417.15
d Europe Prest. Fund A	Ecu	9.59
d Europe Prest. Fund B	Ecu	11.64
CREDIT SUISSE		
d CSF Bonds	SF	75.543
d Bond Valor Swf	SF	96.011
d Bond Valor US - Dollar	$	120.713
d Bond Valor D - Mark	DM	105.380
d Bond Valor Yen	Y	9762.796
d Bond Valor £ Sterling	£	102.256
d Convert Valor Swf	SF	141.286
d Convert Valor US - Dollar	$	192.404
d CSF International	SF	130.452
d Actions Suisses	SF	251.046
d Europa - Valor	SF	212.781
d Energie - Valor	SF	148.320
d Canasec	SF	517.064
d Ussec	SF	728.971
d Pacific - Valor	SF	132.063
d CS Gold Valor	$	108.484
d CS Tiger Fund	$	601.980
d CS Ecu Bond A	Ecu	102.239
d CS Ecu Bond B	Ecu	138.035
d CS Gulden Bond A	Fl	96.203
d CS Gulden Bond B	Fl	120.141
d CS Hispano Iberia Fd A	Pta	23441.900
d CS Hispano Iberia Fd B	Pta	24858.400
d CS Euro Finance Fd A	DM	224.677
d CS Euro Finance Fd B	DM	224.677
d CS Prime Bond A	DM	91.463
d CS Prime Bond B	DM	110.223
d CS Europa Bond A	DM	251.719
d CS Europa Bond B	DM	303.543
d CS Fixed I SF 7% 1/96	SF	105.052
d CS Fixed I DM 8% 1/96	DM	105.836
d CS Fixed I Ecu 8 3/4% 1/96	Ecu	107.127
d CS Euro Blue Chips A	DM	246.788
d CS Euro Blue Chips B	DM	251.049
d CS Short-T. Bond $ A	$	104.176
d CS Short-T. Bond $ B	$	136.728
d CS Short-T. Bond DM A	DM	98.536
d CS Short-T. Bond DM B	DM	122.614
d CS Money Market Fd $	$	1637.856
d CS Money Market Fd DM	DM	1432.177
d CS Money Market Fd £	£	1989.446
d CS Money Market Fd Yen	Y	131915.420
d CS Money Market Fd C$	C$	1116.072
d CS Money Market Fd Ecu	Ecu	1108.961
d CS Oeko-Protec A	DM	270.872
d CS North American Fd A/B	$	195.941
d CS UK Fund A/B	£	104.149
d CS France Fund A/B	FF	1011.317
CSFB FUND MGMT Ltd (0481-713996)		
PB 722, St Peter Port, Guernsey		
w Islamic Mgmt Fund Ltd	$	981.72
DIT INVESTMENT FFM		
d Concentra +	DM	45.42
d Int'l Rentenfond +	DM	77.85
EBC TRUST CO. (Jersey) Ltd		
1-3 Seale St, St Helier: 0534-36331		
EBC AMRO TRADED CURRENCY FUND		
d Capital	$	24.009
d Income	$	15.913
INTERNATIONAL INCOME FUND		
d Long Term	$	35.3245
d Short Term B (Accum)	$	0.5857
d Short Term B (Distr)	$	0.3604
ECU FUTURES PLC (44 71 225 3011)		
d Ecu Plc Omega Fund	$	1.26
d Ecu Plc Oil Fund	$	0.95
d Ecu Plc Royden Fund	$	1.72
EQUIFLEX LIMITED		
w Europe A	Fl	10.76
w North America A	Fl	10.51
EURO PACIFIC ADVISERS Ltd		
w Meteore	Y	106174.00
w Pacific Horizon Invt. Fd	$	2063.90
FIDELITY INT'L INV. SERVICES (Lux)		
d Balanced Ptfl Hedged	$	11.50
d Balanced Ptfl Unhedged	$	11.42
d Conv. Securities Ptfl	$	8.58
d Discovery Fund	$	18.17
d Dollars Saving Trust	$	189.98
d Far East Fund	$	67.53
d Fid. Amer. Assets	$	156.80
m Fid. Amer. Values III Com	$	90.40
m Fid. Amer. Values IV	$	118679.00
d Fid. Australia Fund	$	16.54
d Frontier Fund	$	28.24
d Global Ind Fund	$	15.32
d Global Selection Fund	$	13.26
d International Fund	$	15.45
d New Europe Fund	$	9.17
d Orient Fund	$	104.11
d Pacific Fund	$	217.87
d Special Growth Fund	$	32.75
d World Fund	$	75.86
FOKUS BANK A.S. 472 428 555		
w Scanfonds Int'l Growth Fd	$	1.52
GAIA CURRENCY FUNDS		
w Gaia Hedge I	$	109.38
w Gaia Hedge II	$	220.85
w Gaia Hedge III	$	43.84
w Gaia Swiss Franc Fd	SF	95.57
m Gaia Guaranteed Cl. I	$	74.33
m Gaia Guaranteed Cl. II	$	77.99
GAM ANLAGEFONDS AG.		
POB 164, 8034 Zurich Tel : 41-1-2516640		
d GAM (CH) Mondial	SF	1320.00
d GAM (CH) Pacific	SF	1964.00
d GAM (CH) America	SF	1778.00
d GAM (CH) Europe	SF	78.00
GAM TRADITION ANGLEFONDS AG.		
d GAM Tradition	SF	908.00
GARTMORE FUND MANAGERS INT.		
45, La Motte Street, Jersey 0534 27301		
CAPITAL STRATEGY FD Ltd		
d American Fund	$	1.711
d Canadian Fund	C$	0.8973
d British Fund	£	2.677
d European Fund	DM	5.284
d Eastern European Fd	DM	4.103
d Asia Pacific Fund	$	2.116
d Japan Fund	Y	573.9
d Australasian Fund	$	0.3419
d Global Resources Fund	$	0.7482
d Emerging Markets Fund	£	1.131
d International Growth	$	2.849
d Sterling Bond	£	1.076 •
d Ecu Bond Fund	Ecu	0.9752
d International Bond	$	1.223
d Global Conv. Bond Fd	$	17.82
d US$ Deposit	$	1.826
d Sterling Deposit	£	1.804 •
d French Franc Deposit	FF	10.44
d Swiss Franc Deposit	SF	5.186
d DM Deposit	DM	5.126
d Yen Deposit	Y	518.2
d Austr. Dollar Deposit	A$	1.046
GARTMORE INDOSUEZ FUNDS 18/09/91		
Tel : (352) 46 54 24 470		
Fax : (352) 46 54 23		
BOND PORTFOLIOS		
d Deutsche Mark Bond	DM	5.17
d Diverbond	$	2.59
d Dollar Bond	$	2.10
d European Bond	Ecu	1.06
d French Franc Bond	FF	10.10
d Global Bond	$	2.85
d Sterling Bond	£	1.00
EQUITY PORTFOLIOS		
d Developing Markets	$	2.33
d Europe	Ecu	1.13
d France	FF	10.18
d Germany	DM	4.76
d International	$	2.12
d Japan	Y	263.80
d Natural Resources	$	2.08
d North America	$	2.38
d Pacific	$	2.27
d Singapore/Malaysia	SG$	5.16
d Switzerland	SF	2.62
d United Kingdom	£	1.25
RESERVE FUNDS		
d Deutsche Mark Reserve	DM	5.20
d Dollar Reserve	$	2.05
d French Franc Reserve	FF	10.43
d Sterling Reserve	£	1.07
d Yen Reserve	Y	267.00
GEFINOR FUNDS		
London : 071-4994171, Geneva : 41-22355530		
w East Investment Fund	$	792.74
w Scottish World Fund	£	216.7892
w State St. American	$	293.67
GENERALE BANK		
(See also Interselex Group)		
d Rentinvest	$	28.68
d Capital Rentinvest	$	147.18
d Rentinbel Distribution	LF	9699.00
d Rentinbel Capitalization	LF	12293.00
GENESEE FUND Ltd		
w (B) Genesee Short	$	75.84
w (C) Genesee Opportunity	$	118.64
w (E) Genesee Balanced	$	104.97
GLOBAL ASSET MANAGEMENT		
11 Athol St.Douglas,I.of Man 44-624-626037		
w GAM Arbitrage Inc	$	253.39
w GAM America Inc	$	278.02
w GAM Australia Inc	$	131.00
w GAM ASEAN Inc	$	185.08
w GAM Boston Inc	$	325.14
w GAM Selection Inc	$	421.82
w GAM European Inc	$	92.01
w GAM Europe Fund	$	78.06
w GAM Franc-Val Inc	SF	193.35
w GAM France Inc	FF	1516.01
w GAM Global Fund	$	106.35
w GAM High Yield Inc	$	184.98
w GAM Hong Kong Inc	$	254.10
w GAM International Inc	$	133.55
w GAM Japan Inc	$	631.88
w GAM North America Fund	$	120.65
w GAM Money Mkts $	$	101.22
w GAM Money Mkts Fd £	£	102.22
w GAM Money Mkts Fd SF	SF	101.54
w GAM Money Mkts Fd DM	DM	101.69
w GAM Money Mkts Fd Yen	Y	10112.00
w GAM Mlti-Mar Fd Inc Allocs	$	113.73
w GAM Mlti-Mar Fd IncGenEqs	$	114.48
w GAM Mlti-Mar Fd Trading	$	115.38
w GAM Mlti-Mar Deferred Cl	$	110.91
w GAM Pacific Basin Fund	$	138.75
w GAM Pacific Inc	$	561.57
w GAM Restr. Fund Inc	$	141.78
w GAM Singap-Malay Inc	$	247.71
w GAM Swiss Fr Spec Bd Fd	SF	98.16
w GAM Value Inc	$	98.60
w GAM Worldwide Inc	$	415.31
w GAM Tyche S.A. Class A	$	245.75
w GAM Univ. Spain Inc	SF	109.44
w GAM Univ. D-Mark Acc	DM	119.88
w GAM Univ. D-Mark Inc	DM	116.40
w GAM Univ. Dollar Acc	$	109.26
w GAM Univ. Dollar Inc	$	107.87
w GAM U.S. Inc	$	287.39
w GAM Whitehorn Fund Inc	$	162.46
w GAM UT Inc	$	438.61
w GAM Bond Fd Inc. US Ord	$	119.85
w GAM Bond Fd Inc. US Spe	$	148.13
w GAM Bond Fd Inc. SF	SF	82.32
w GAM Bond Fd Inc. Yen	Y	11982.00
w GAM Bond Fd Inc. DM	DM	93.79
w GAM Bond Fd Inc £	£	118.48
w GAM Sterling Spec. Bd Fd	£	114.83
w GSAM Composite Inc	$	250.07
GT MANAGEMENT PLC (44 71 222 44 44)		
d G.T. ASEAN Fund	$	42.48
d G.T. Asia Fund	$	18.61
d G.T. Australia Fund	$	24.00
d G.T. Berry Japan Fund	$	24.81
w G.T. Biotech/Health Fd	$	19.28
d G.T. Bond Fund	$	17.13
d G.T. Deutschland Fund	$	11.84
d G.T. Dollar Fund	$	21.35
w G.T. Emerging Mkts Fd	$	11.91
w G.T. Euro Small Co Fd	$	31.62
d G.T. Europe Fund	$	31.87
w G.T. Global Small Co Fd	$	16.77
w G.T. Hong Kong Fund	$	34.74
d G.T. Honshu Pathfinder	$	11.33
d G.T. Investment Fund	$	15.49
w G.T. Japan OTC Stocks Fd	$	11.38
w G.T. Japan Small Co Fd	$	14.86
w G.T. Korea Fund	$	6.43
w G.T. Latin America Fd	$	13.63
w G.T. Newly Ind Countr Fd	$	28.95
r G.T. Technology Fund	$	42.29
d G.T. UK Small Companies	£	7.04
w G.T. US Small Companies	$	16.72
HILL SAMUEL INVEST. MGMT. INTL S.A.		
Jersey, P.O. Box 63, Tel 0534 76029		
Berne, P.O. Box 2622, Tel 4131 224051		
d Crossbow (Far East)	SF	14.85
d CSF (Balanced)	SF	40.48
d European Equity Fund	DM	18.62
d Int'l Bond Fund	$	13.25
d Int'l Currency US	$	27.98
d Int'l Currency US Mngd	$	29.91
d ITF Fd (Technology)	$	15.23
d O'seas Fd (N. America)	$	50.63
IAM, 2 Bd. Royal LUXEMBOURG		
d IAM Flagship Fund	Ecu	77.24
w IAM Bonds Fd-France A	FF	657.02
w IAM Bonds Fd-Allem. B	DM	230.89
w IAM Bonds Fd-Japan C	Y	10969.00
w IAM Bonds Fd Div. I	FF	506.33
w IAM Europe Luxe	Ecu	89.52
w IAM Europe du Sud	Ecu	84.37
INTERSELEX GROUP		
d Int. America Sicav	$	18.66
d Int. Belgo Sicav	BF	2785.08
d Int. Europa Sicav	LF	6458.00
d Int. Pacific Sicav	$	95.85
d Int. World Distr. Sicav	$	96.99
INVESCO MIM INT'L, POB 271, Jersey		
Tel: 44 534 73114		
d Income Plus Fund	$	2.5050
d Maximum Income Fund	£	1.0180 •
d Dollar Mngd Curr	$	14.9200
d Dollar Mngd Ptfl	$	2.2250
d Sterling Mngd Ptfl	£	1.7220
d Pioneer Markets	£	2.1860
d UK Growth	£	1.2160
d Gold & Prec. Metals	£	0.8260
d Sterling Mngd Curr	£	17.8400
d Japan Dollar Perf. Fund	$	2.9140
d Jersey Gilt	£	0.1827 •
d Okasan Global Strat	$	17.2700
d Asia Super Growth Fund	$	12.7600
d Nippon Warrant Fund	$	6.1600
d Asia Tiger Warrant	$	1.5500
d European Warrant	$	2.2800
d Gtd. N.W. 1994	$	8.2000
PREMIER SELECT FUNDS		
d American Growth	$	5.1000
d American Enterprise	$	6.9100
d Asia Tiger Growth	$	5.3300
d Dollar Reserve	$	5.1600
d European Growth	$	4.7200
d European Enterprise	$	5.1100
d Global Emerging Markets	$	5.4900
d Global Growth	$	4.8100
d Nippon Enterprise	$	6.1600
d Nippon Growth	$	4.6300
d North American Warrant	$	4.0800
ITALFORTUNE INTL. FUNDS		
w Class A (Aggr. Growth Ital.)	$	44.12
w Class B (Global Equity)	$	10.55
w Class C (Global Bond)	$	10.71
w Class D (Ecu Bond)	Ecu	18.42
JARDINE FLEMING, GPO Box 11448 Hg Kg		
d JF ASEAN Trust	$	20.85
d JF Far East Wrnt Tr	$	9.49
d JF Glbl Conv. Tr	$	11.14
d JF Hong Kong Trust	$	93.71
d JF Japan Sm. Co Tr	Y	57677.00
d JF Japan Trust	Y	15844.00
d JF Malaysia Trust	$	8.67
d JF Pacific Inc. Tr	$	80.37
d JF Thailand Trust	$	11.42
JOHN GOVETT MANT (I.O.M.) LTD		
Tel: 44.624 - 62 94 20		
w Govett Man. Futures	£	12.94
w Govett $ Gear. Curr	$	14.00
JULIUS BAER GROUP		
d Baerbond	SF	923.00
d Conbar	SF	1677.00
d D-Mark Baer Bond Fund	DM	985.00 •
d Dollar Baer Bond Fund	$	1152.00 •
d Emerging Europe Fund	DM	111.10
d Equibaer America	$	1996.00
d Equibaer Europe	SF	1529.00
d Europe Bond Fund	Ecu	113.96
d Liquibaer	$	2856.00
d Multiadvisor Forex Fd	$	93542.00
d SFR - BAER	SF	1086.00
d Stockbar	SF	2044.00
d Swissbar	SF	2125.00
KIDDER, PEABODY		
b Chesapeake Fund Ltd	$	1515.52
b Int'l Guaranteed Fund	$	1045.35
b Stonehenge Ltd	$	1252.74
b The Gbl Asset Alloc Fd Ltd	$	890.29
b The Krieger Curr. Fd Ltd	$	938.00
KLEINWORT BENSON SELECT FUND		
d British Fund	Ecu	2.15
d Emerging Asia Fund	Ecu	1.78
d European Fund	Ecu	1.84
d International	Ecu	1.76
d Japanese Fund	Ecu	1.63
d Kangaroo World Fund	FM	11.23
d North American Fund	Ecu	2.23
d Pacific Fund	$	1.68
d Sicav Dollar Bond	$	1.87
d Sicav Intcl Bond	Ecu	1.75
d Sicav Sterling Bond	£	1.91
LATIN AMERICAN MANAGEMENT Co Ltd		
Tel : London 071 628 1234		
w Argentinian Invest Co Sicav	$	25.28
w Brazilian Invest Co Sicav	$	20.86
w Mexican Invest Co Sicav	$	24.69
LIPPO ASIA LIMITED		
w Java Fund	$	6.10
LLOYDS BANK PLC, POB 438, Geneva 11		
Deals 41-22-3073200/Inquir. 41-22-3073210		
w Lloyds Int'l Dollar +	$	115.20
w Lloyds Int'l Europe +	SF	191.30
w Lloyds Int'l Growth +	SF	212.80
w Lloyds Int'l Income +	SF	278.00
w Lloyds Int'l N. America +	$	192.40
w Lloyds Int'l Pacific +	SF	168.80
MAGNUM FUTURES FUND Ltd		
m Deutschemark Class	DM	14.98
m Sterling Class	£	4.75
m US Dollar Class	$	7.77
MALABAR CAP MGMT (Bermuda) Ltd		
m Malabar Int'l Fund	$	11.95
MAN INTERNATIONAL FUTURES		
m Mint Limited - Ordinary	$	42.88
m Mint Limited - Income	$	14.20
m Mint Gtd Ltd - Spec Issue	$	22.92
m Mint Gtd Ltd - Nov 1993	$	20.73
m Mint Gtd Ltd - Jan 1994	$	16.83
m Mint Gtd Ltd - Dec 1994	$	14.94
m Mint Gtd Ltd - Aug 1995	$	12.23
m Fbme Mint Gtd Plc	$	113.16
m Mint Sp Res Ltd (BNP)	$	109.95
m Newcastle Guaranteed Ltd	$	11.79
m Alubal Mint Gtd. Fund Ltd	$	110.02
m Athena Diversified Fut.	$	9.46
m Athena Guaranteed Fut.	$	9.31
d Athena Guaranteed Curr	$	9.46
MERRILL LYNCH		
d Dollar Assets Portfolio	$	1.00
d Iberia Portfolio	$	10.16
d Multi-Curr. Bond Ptfl Cl A	$	17.79
d Multi-Curr. Bond Ptfl Cl B	$	17.73
d USA Income Portfolio	$	9.35
d US Federal Securities Fd		
d Category A	$	9.70
d Category B	$	10.22
d World Nat Res Ptfl Sh A	$	11.25
d World Nat Res Ptfl Sh B	$	11.07
MERRILL LYNCH MLT NAT'L INV PFL		
GLOBAL CURRENCY BOND SERIES		
d Australian Dollar Ptfl.		
d Category A	A$	14.26
d Category B	A$	14.31
d Canadian Dollar Ptfl		
d Category A	C$	11.51
d Category B	C$	11.53
d Deutsche Mark Ptfl.		
d Category A	DM	10.72
d Category B	DM	10.74
d Pound Sterling Ptfl		
d Category A	£	12.34
d Category B	£	12.34
d US Dollar Ptfl		
d Category A	$	11.97
d Category B	$	12.03
d Yen Portfolio		
d Category A	Y	1073.00
d Category B	Y	1074.00
MERRILL LYNCH MLT NAT'L INV PFL		
EQUITY CONVERTIBLE SERIES		
BASIC VALUE PORTFOLIO		
d Class A	$	11.16
d Class B	$	10.98
CONVERTIBLE SECURITIES PTFL		
d Class A	$	11.65
d Class B	$	11.54
GLOBAL EQUITY PORTFOLIO		
d Class A	$	9.33
d Class B	$	9.06
EURO EQUITY PORTFOLIO		
d Class A	$	10.74
d Class B	$	10.63
MULTIMANAGER N.V.		
w American Growth Fd	$	10.68
w European Corr. Bond Fd	Ecu	10.54
w European Growth Fd	Ecu	11.03
m Futures Fd	$	9.84
w Japanese Growth Fd	Y	985.00
w Forex Fund	$	9.55
m Emerging Markets Fd	$	13.75
NIMARBEN		
w Class A	$	224.20
NMB BANK, PO 1800, 1000 BV Amsterdam		
w NMB Dutch Fund	Fl	42.60
d NMB Euromix Growth Fd	LF	2342.00
d NMB Real Estate Fund	Fl	37.48
w The Brazil Fund	$	1.4752
NOMURA INTL. (HONG KONG) Ltd		
d Nomura Jakarta Fund	$	7.26
NOMURA INVEST BANKING (M.E) E.C.		
d Nomura Gulf Fund	$	8.30
OBLIFLEX LIMITED		
w Multicurrency	$	25.45
w Dollar Medium Term	$	19.49
w Dollar Long Term	$	16.55
w Japanese Yen	Y	3827.00
w Pound Sterling	£	19.61
w Deutsche Mark	DM	13.63
w Dutch Florin	Fl	14.05
w HY Euro Currencies	Ecu	12.04
w Swiss Franc	SF	10.99
w US Dollar Short Term	$	11.31
w HY Euro Curr Divid Pay	Ecu	10.55
w Swiss Multicurrency	SF	13.23
w European Currency	Ecu	16.86
w Belgian Franc	BF	104.00
w Convertible	$	11.69
w French Franc	FF	118.75
w Swiss Multi-Dividend	SF	9.15
w Canadian Dollar	C$	10.48
w Dutch Florin Multi	Fl	12.18
w Swiss Franc Divid Pay	SF	10.26
OLYMPIA Capital Intl. BVI		
c/o OCM, 11 Av. Friedland 75008 PARIS		
Tel: 33-1-49539038 Fax: 33-1-42567009		
w Finsbury Group	$	154.72
w Olympia Securite SF	SF	146.10
w Olympia Securite US$	$	97.24
w Winch. Capital	$	102.10
w Winch. Frontier	$	266.86
w Winch. Fut. Olympia Star	$	103.02 •
w Winch. Hldg Int'l Madison	Ecu	1106.58
w Winch. Hldg Int'l Ser D	Ecu	1291.85
w Winch. Hldg Int'l Ser F	Ecu	1299.17
w Winch. Hldg US$	$	16.71
w Winch. Reser. Multi. Gvbd	$	14.86
OPTIMA FUND MANAGEMENT		
6 Front St. Hamilton.Bermuda(809 295-4000)		
w Optima Fund	$	13.84
w Optima Futures Fund	$	9.96
w Optima Short Fund	$	9.64
PARIBAS-GROUP		
d Cortexa International	$	111.45
d Europhenix	Ecu	193.78
d Luxor	$	7.80
d Par US Treas. Bond Cl B	$	148.83
d Parinter Bond Fund	$	14.98
d Parinter Fund	$	219.34
w Parvest Obli-DM A	DM	1206.81
w Parvest Obli-DM B	DM	1446.92
w Parvest Obli-Dollar A	$	1144.55
w Parvest Obli-Dollar B	$	1473.13
w Parvest Obli-Franc A	FF	1401.96
w Parvest Obli-Franc B	FF	1519.49
w Parvest Obli-Gulden A	Fl	966.12
w Parvest Obli-Gulden B	Fl	1216.08
d Parvest Obli-Sterling	£	118.77
w Parvest Obli-Yen A	Y	105041.00
w Parvest Obli-Yen B	Y	127692.00
PERMAL GROUP		
b Drakkar Growth	$	2376.31
b EuroMir (Ecu) Ltd	Ecu	1276.27
b Media Ltd	$	899.74
b Noscal Ltd	$	1651.45
w Updyke Ltd	$	278.92
b Value N.V.	$	2143.88
PICTET & CIE - GROUP		
b Eur. Opportunity (Lux)	Ecu	105.30
b Euroval (Lux)	Ecu	171.03
b Global Value (Lux) Quant.	Ecu	124.67
m Intl Small Cap (IOM)	$	307.29
d Pictet Valsuisse (CH)	SF	432.30
PIERSON, HELDRING & PIERSON N.V.		
Rokin 55, 1012kk, Amsterdam (20-5211188)		
w Asia Pac. Growth Fd N.V.	$	29.18
w Asian Selection Fd N.V.	Fl	54.54
w DP Amer. Growth Fd N.V.	$	33.56
w Environment Growth Fund	Fl	53.47
w Eur. Growth Fund N.V.	Fl	61.27
w Japan Diversified Fund	$	43.85
w Leveraged Cap Hold.	$	415.50
w Tokyo Pac. Hold. N.V.	$	213.34
PRISM ASSET MANAGEMENT		
(212) 332-1932 advisor to :		
d Prism Fut. Fd (EFF)	$	300.61
d Conqueror	$	89.37
d PTJ	$	121.51
d Apex Fund Ltd	$	106.84
d Rainbow	$	121.45
d Emerald Futures Ltd	$	98.23
d Harmonic Futures Ltd	$	95.87
PUTNAM		
d Emerging Hlth Sc. Trust	$	31.88
w Putnam Em. Info. Sc. Trust	$	19.32
d Putnam Glob. High Growth	$	12.81
d Putnam High Inc. GNMA Fd	$	9.83
d Putnam Int'l Fund	$	12.09
PYRFORD, SWITZ (038) 25 17 25		
w Pyrford Australian	A$	100.50
w Pyrford Int'l	$	103.75
ROBECO GROUP		
POB 973, Rotterdam (10-4650711)		
d Robeco	Fl	99.60
d Rolinco	Fl	99.20
d Rorento	Fl	68.00
d Rodamco	Fl	52.40
d RG America Fund	Fl	100.30
d RG Europe Fund	Fl	100.10
d RG Pacific Fund	Fl	98.00
ROTHSCHILD AST. MGT.		
w Tokyo Pacific Hldgs (Sea)	$	155.67
ROYAL B. CANADA, POB 246, GUERNSEY		
w RBC British Fund Ltd +	£	5.321
w RBC Canadian Fd Ltd +	C$	13.78
w RBC European Fund +	£	12.00
w RBC Far East & Pac. Fd +	$	37.63
w RBC Int'l Bond Fund Ltd +	$	13.68
w RBC Int'l Capital Fund +	$	5.21 •
w RBC Mngd Currency Fd +	$	43.70
w RBC North America Fd +	$	15.94
SAFRA REPUBLIC HOLDING		
w Republic (Gnsey) $ Inc Fd	$	16.04
w Republic GAM Fund	$	106.54
w Republic GAM Growth	$	108.64
SKANDIFOND		
SKANDINAVISKA ENSKILDA BANKEN		
w Equity Int'l Acc	$	13.82
w Equity Int'l Inc	$	11.93
w Equity Global	$	1.30
w Equity Far East	$	2.18
w Equity Gold	$	0.68
w Equity Japan	Y	116.00
w Equity Nordic	$	1.41
w Equity U.K.	£	1.34
w Equity Continental Europe	$	1.28
w Equity Mediterranean	$	0.99
w Equity North America	$	1.54
w Bond Int'l Acc	$	9.93
w Bond Int'l Inc	$	7.11
w High Income Acc	$	1.37
w High Income Inc	$	1.03
w Bond Sweden	SKr	12.90
w Bond DEM	DM	1.02
w Bond Dollar	$	1.16
w Multicurrency	$	1.38
w Enskilda Int'l Bond	$	105.63
SOCIETE GENERALE GROUP		
d Asia Fund	$	386.74
d Blw Category A	$	15.23
d Blw Category B	$	33.00
SOGELUX FUND (SF)		
w SF Bonds A U.S.A.	$	13.60
w SF Bonds B Germany	DM	24.84
w SF Bonds C France	FF	99.71
w SF Bonds D Switz.	SF	21.36
w SF Bonds E G.B.	£	9.86
w SF Bonds F Japan	Y	1764.00
w SF Bonds G Europe	Ecu	13.94
w SF Bonds H World Wide	$	14.03
w SF Bonds J Belgium	BF	644.00
w SF Eq. K North America	$	14.03
w SF Eq. L W. Europe	Ecu	13.70
w SF Eq. M Pacific Basin	Y	1415.00
w SF Eq. N France	FF	70.00
w SF Eq. P Growth Countries	$	12.99
w SF Eq. Q Gold Mines	$	10.49
w SF Eq. R World Wide	$	13.32
w SF Short Term S France	FF	134.89
w SF Short Term T Eur.	Ecu	13.26
SOGELUX INDEX FUND (SIF)		
w S.I.F. France Capital	FF	1050.56
w S.I.F. France Distrib	FF	1050.56
w S.I.F. GB Capital	£	123.30
w S.I.F. GB Distrib	£	123.30
w S.I.F. Japan Capital	Y	12337.00
w S.I.F. Japan Distrib	Y	12337.00
w S.I.F. US Capital	$	178.98
w S.I.F. US Distrib	$	178.98
w S.I.F. World Capital	$	136.48
w S.I.F. World Distrib	$	136.48
SODITIC ASSET MANAGEMENT INC.		
w SAM Diversified Inc	$	113.18
w SAM Strategy Inc	$	97.97
SVENSKA HANDELSBANKEN S.A.		
146 Bd de la Petrusse, L-2330 Luxembourg		
w Neptune Maritime Fund	$	7.88
b SHB Bond Fund	$	49.54
w Svenska Sel. Fd Amer Sh	$	13.03
w Svenska Sel. Fd Germany	DM	9.21
d Svenska Sel. Fd Int'l Bd Sh	$	11.46
w Svenska Sel. Fd Int'l Sh	$	48.60
w Svenska Sel. Fd Japan	Y	485.00
d Svenska Sel. Fd Nordic Sh	$	18.56
w Svenska Sel. Fd Pacif Sh	$	4.42
d Svenska Sel. Fd S/T Ass Sh	$	10.67
w Svenska Sel. Fd Swed Bds	SKr	1086.95
SWISS BANK CORP. (Issue Prices)		
d SBC 100 Index Fund	SF	1125.80
d SBC Bond Portfolio - C$	C$	181.55
d SBC Bond Portfolio - Ecu	Ecu	181.23
d SBC Bond Portfolio - FF	FF	504.74
d SBC DM Short A/B	DM	1083.27
d SBC Euro Stock	Ecu	163.00
d SBC Global Ecu Growth	Ecu	1000.00
d SBC Global Ecu Yield	Ecu	1000.00
d SBC Global SF Growth	SF	1000.00
d SBC Global SF Yield	SF	1000.00
d SBC Global US$ Growth	$	1000.00
d SBC Global US$ Yield	$	1000.00
d SBC MMF - £	£	2331.68
d SBC MMF - C$	C$	4060.88
d SBC MMF - DFl	Fl	6094.28
d SBC MMF - Ecu	Ecu	3029.50
d SBC MMF - FF	FF	20334.91
d SBC MMF - Lit	Lit	4075416.00
d SBC MMF - SF	SF	5049.04
d SBC MMF - US - Dollar	$	6632.47
d SBC MMF - Yen	Y	545895.00
d SBC Str Bond A	SF	1018.66
d SBC Str Bond B	SF	1127.91
d America Valor	$	305.13
d Anglo Valor	£	199.00
d Asia Portfolio	SF	533.94
d Convert Bond Selection	SF	96.65
d D-Mark Bond Selection	DM	108.99
d Dollar Bond Selection	$	139.83
d Ecu Bond Selection	Ecu	102.38
d Florin Bond Selection	Fl	113.99
d France Valor	FF	1724.45
d Germania Valor	DM	455.01
d Gold Portfolio	SF	322.43
d Iberia Valor	Pta	47280.00
d Ital Valor	Lit	361861.00
d Japan Valor	Y	28018.00
d Sterling Bond Selection	£	110.54
d Sw. Foreign Bond Selection	SF	102.28
d Swissvalor	SF	365.25
d Universal Bond Selection	SF	78.50
d Universal Fund	SF	108.12
d Yen Bond Selection	Y	10996.00
T. ROWE PRICE ASSOCIATES INC.		
m T. Rowe Price Frontier Ltd	$	8.76
TEMPLETON W.WIDE INVESTMENTS		
GROWTH PORTFOLIO		
d Class A-1	$	9.75
d Class A-2	$	10.95
d Class A-3	$	10.31
d Class B-1	$	9.56
d Class B-2	$	10.76
INCOME PORTFOLIO		
d Class A	$	10.58
d Class B	$	10.44
TERMINVEST Tel : 48.70.92.89		
m Dual Futures Fd Cl D Units	$	107.22
m Galaxy Futures Fund Ltd	$	103.75
THORNTON MANAGEMENT Ltd		
d Pacif Invt Fd SA	£	9.18
d Pacif Invt Fd SA DM	DM	26.67
d Pacif Invt Wrnt Fd SA	£	4.18
d Pacif Invt Wrnt Fd SA DM	DM	12.02
d Eastern Crusader Fund	$	7.81
d Thornton Int'l Opp. Fd	$	1.43
d Thornton HK Gateway Fd	$	17.30
d Thornton Japan Fund Ltd	$	24.86
d Thor. Lati Dragons Fd Ltd	$	20.27
d Thornton Orient Inc Fd Ltd	$	21.54
d Thornton Phil. Redev. Fd	$	20.15
d Thornton Tiger Fd Ltd	$	29.50
NEW TIGER SEL. FUND		
d Thailand	$	8.17
d Malaysia	$	8.73
d Indonesia	$	6.04
THORNTON TAIWAN FUND		
d Equity Income	$	10.07
d Equity Growth	$	10.08
d Liquidity	$	10.00
UEBERSEEBANK Zurich		
d B - Fund	SF	1015.38
w E - Fund	SF	554.23
d J - Fund	SF	354.21
d M - Distribution	SF	98.57
d M - Fund	SF	1080.20
d UBZ Euro-Income Fund	SF	18.07
UNION BANK OF SWITZERLAND		
d Amca American Shares	SF	42.50
d Bond-Invest	SF	62.50
d Brit-Invest Shares	SF	828.80
d D-Mark-Invest Bonds	DM	191.60
d Dollar-Invest Bonds	$	111.04
d ESPAC Spanish Shares	SF	202.00
d Eurit	SF	343.00
d Fonsa Swiss Shares	SF	506.50
d Francit Shares	SF	202.00
d Germac Shares	SF	231.50
d Globinvest Shares	SF	106.50
d Gold Invest Shares	SF	181.50
d Holland-Invest Shares	SF	246.00
d Itac Shares	SF	192.50
d Japan-Invest Shares	SF	1227.50
d Sima (Stock price)	SF	231.00
d Skandinavien-Invest	SF	247.00
d UBS Money Mkt Invest	£	1056.96
d Yen-Invest Bonds	Y	80250.00
UNIVERSAL GROUP OF FUNDS		
d Universal Cdn. Equity	C$	9.94
d Universal Pacific	C$	8.75
d Universal American	C$	9.31
d Universal Cdn. Ressource	C$	4.16
d Universal Global	C$	6.07
d Canada Guar. Mortgage Fd	C$	15.29
Other Funds		
r Acticroissance	FF	501.54
d Actifinance Int'l	$	1016.57
w Actifutures Ltd	$	957.01
w Actigestion	FF	1189.19
w Activest Int'l	FF	28.42
m Advanced Strategies	$	105.95
w Aquila International Fund	$	266.19
b Ariane	$	4176.18
d Asia Oceania Fund	$	9.31
m Associated Investors Inc	$	801.22
b Atlantic Fund	$	77.76
r Australia Fund	$	15.52
w Balfour Maclaine Series 1	$	914.87
w BDD Inv. Fund-Ecu Bd	Ecu	5724.46
w BEM International	$	6.75
w Bondselex-Issue Pr.	SF	106.75
m Cal Futures 1990 Fd Ltd	$	25.20
d CB German Index Fund	DM	121.43
w CMI Investment Fund	$	1373.00
d Colbert Croissance	FF	74.62
d Colbert Finances	FF	120977.17
d Colbert Tresor	FF	1241.14
w Convert. Fd Int'l A Certs	$	17.61
w Convert. Fd Int'l B Certs	$	61.06
w Cowen Enterprise Fd N.V.	$	1032.45
w Cumber Int'l N.V.	$	367.53
d D. Witter Wld Wide Ivt Tst.	$	25.45
w D.G.C.	$	223.93
w Daiwa Japan Fund	Y	6991.00
d Dreyfus America Fund	$	21.05
w Dumelux Amerique	$	1036.01
w Dumelux Asie Pacifique	$	1036.01
w Dumelux Bonds Plus	$	945.08
w Dumelux Europe	Ecu	1070.87
w Dumelux France	FF	6407.71
w Dumelux Opportunit	$	1036.01
m Dumenil Arbitrage Fd NV	$	792.34
w Eos Overseas Fund Ltd	$	1200.00
d Emi Belg. Ind. Plus A	BF	8598.00
d Emi Belg. Ind. Plus B	BF	8598.00
d Emi France Ind. Plus A	FF	878.91
d Emi France Ind. Plus B	FF	870.91
d Emi Germ. Ind. Plus A	DM	88.73
d Emi Germ. Ind. Plus B	DM	88.73
d Emi Spain Ind. Plus A	Pta	9944.00
d Emi Spain Ind. Plus B	Pta	9944.00
d Emi UK Index Plus A	£	107.19
d Emi UK Index Plus B	£	107.19
m Enigma Currency Fd	$	18.90
w Espir. Sto Inv M Ecu Bd Fd	Ecu	102.85
w Espir. Sto Inv M Sth Eur Fd	$	9.33
w Esprit Sicav	Ecu	1223.76
d Eurosud	FF	1017.42
d Europe 1992	$	10.00
d Europe Obligations	Ecu	82.26
w F.I.T. Fund FF	FF	124.86
w F.M.P. Portfolio	$	8.5379
w Fairfield Int'l Ltd	$	170.20
w Fairfield Sentry Ltd	$	231.25
w Fairfield Strat. Ltd	$	65.90
m Fatum Fund	$	745.86
w First Eagle Fund	$	40162.14
w First Ecu Ltd	Ecu	90.14
m First Frontier Funds	$	66.29
w FL Trust Switzerland	SF	96.28
d Fondilalia	$	79.81
w Fonselex Issue Pr.	SF	155.40
d Force Cash DM Sicav	DM	5360.94
d Force Cash Ecu Sicav	Ecu	2748.11
d Forexfund Limited	$	8.65
w Formula Selection Fd	SF	65.99
d Frankf-Trust Effekten Fd	DM	140.51
d Frankf-Trust Interzins	DM	40.85
m Gems Progressive Fd Ltd	$	1110.86
w George V Inv. Bond F.	$	22.15
m German Sel. Associates	DM	1759.75
d Green Line France	FF	473.65
m Guaranteed Capital Imm 94	LF	500644.00
w Hasenbichler Com AG	$	1368.00
w Haussmann Hldgs. N.V.	$	393.06
d Henisch T.F.	SF	10392.00
w Hestia Fund	$	163.62
w Horizon Fund	FF	10859.69
w Ibex Holdings Ltd	SF	194.83
w IFDC Japan Fund	Y	26535.00
r ILA-IGB	$	1.55
r ILA-IGS	$	9.94
w Infinity Fund	$	126.1412
r Int'l Securities Fund	Ecu	27.52
m Interface Fund Ltd	$	159.24
d Interfund SA	$	43.53
w Intermarket Fund	$	490.16
w Intersec SA	$	3758.77
d Investa DWS	DM	74.98
d Investmentor Fund	$	107.33
m J Capel Guaranteed Fund	$	9.95
w Japan Pacific Fund	$	202.91
m Japan Selection Asses	Y	8492.00
w Japan Selection Fund	$	222.52
d JJ Placement	FF	13185.25
w JWH Worldwide Fund	$	9.80
d Kenmar Guaranteed	$	9.00
w Kenmar Int'l - B	$	10322.00
d Kenmar L/C	$	7.45
m Key Hedge Fund Inc	$	114.94
d XML-II H. Yield	$	613.45
w Korea Growth Trust	$	32.31
w LACO International	$	5.73
w Laural Val. Francaises	FF	1029.74
m London Portfolio Services	$	9.82
w Luxfund	$	104.53
m Lynx Sel. Holdings	SF	123.58
w M 1 Multi-strategy	$	1004.29
w M.Kingdon Offshore. N.V.	$	9.41
m Maritime Fund Int'l Ltd	$	736.69
w Mat Growth ESCF	DM	19.57
w Mat Growth USCF	$	12.56
w Matterhorn Offshore Fd	$	9579.29
m Maverick Limited	$	252942.93
w MBE Japan Fund	LF	2090.80
m MCM Int. Limited	$	166.91
m Mediolanum Selective Fd	$	36.57
w Moore Global Invts. Ltd	$	2168.41
d NCA Fund	$	10.40
d New Millennium Fut. Ltd	$	905.03
w Nippon Fund	$	109.00
d NM Inc. & Growth Fund	$	17.77
m NMT Asian Sel. Portfolio	$	189.37
w NMT Citadel Bond	SF	121.13
m NMT Nastec Portfolio	$	145.86
d Nomura-Cap Int'l Eq Fd	$	14.36
w Novaeurope	Ecu	2872.73
m NSM Invest. Ltd. Senso SH	$	10.22
m NSM Invest. Ltd. Tetryx SH	SF	10.07
m NSP F.I.T. Ltd	$	10.69
m Oppenheimer U.S. Arb.	$	136.19
w Optimum Fund	$	1452.16
m Overlook Performance	$	1502.74
d Pacific Nies Fund	$	6.45
d PAM Futures Trad	$	340.88
m Pan European Futures Ltd	$	4653.75
m PAN International Ltd	$	103.90
w Pancurri Inc	$	163.72
m Paragon Fund Limited	$	10.35
w Plurigestion	FF	97.84
w Plurivest International	FF	118.55
d Precision Fund Ltd	$	78.35
d Premier Futures Ltd	$	1022.68
d Profirent S.A.	DM	1115.09
w Presp. I.H. Inc P.F.	$	3.71
w Puget-Mahe Barclays Pac	$	162.91
w Pulsar LDC Debt Fd	$	128.3390
w Quantum Fund N.V.	$	18070.90
m Quark Int'l Trad Prog	$	9879.007
w Quasar Fund N.V.	$	117.76
d SAGA Court Terme	FF	1279.55
d SAGA France	FF	456.71
d SAGA Long T. Capital	FF	1181.44
d SAGA Perspectives	FF	1057.39
d SAGA Premiere	FF	1264.37
w Sailor's Intl Equity	Ecu	1022.60
w Sailor's Intl Fixed	Ecu	1032.60
w Samurai Portfolio	SF	275.28
d Sanva Kle. Spain Fd	$	10.12
d Sarakreek Holding N.V.	$	17.80
d Saturn Fund	$	1084.69
d SCI / Tech. SA Luxembourg	$	17.86
m Scimitar Guar. Curr Fd	$	9.54
m Scimitar Guaranteed	$	8.25
w Securefund 2000 Ltd	$	5.25
m SLH Guar. F.F.I.	$	1148.67
w SP International SA	$	7268.86
m Sussex McGarr	$	1667.00
w Techno Growth fund	SF	52.02
d Templeton Global Inc	$	9.40
d The Jaguar Fund N.V.	$	391.50
d The Petrus Fund Ltd	$	1.07
w Thema M-M Futures	$	917.39
m TIIC (OTC) Jap. Fd Sicav	$	11.74
m Tokyo (OTC) Fund Sicav	$	9.04
w Transpacific Fund	Y	24135.00
d Tudor B.V.I. Futures Ltd	$	8910.54
d Turquoise Fund	$	173.65
m Tweedy Browne (UK) n.v.	$	1413.58
w Tweedy Browne n.v. Cl A	$	3843.88
w Tweedy Browne n.v. Cl B	$	1750.83
d Uni Bond Fund	Ecu	1761.29
r Uni Capital Fund	Ecu	1249.57
d Unica Equity Fund	DM	61.98
d Unico Inv. Fund	DM	77.04
m Unitrad FF	FF	11518.77
m Unitrad SF	SF	1130.96
m Unitrad US$	$	1108.86
d Univers Bonds	DM	149.91
w Ursus Int'l Ltd	$	7683.00
w Vanderbilt Assets	$	16.69
m Victor Futures Fund	$	199.78
w Wilier Asian Fund	$	10.41
w Willerbond Capital	$	15.08
d Win Global Fd Bd Ptfl	Ecu	107.80
d Win Global Fd Eq Ptfl	Ecu	107.39
d Win Global Fd Res. Ptfl	SF	208.67
d World Balanced Fund S.A.	$	12.35
w Worldwide Securities	$	41.89
w Worldwide Special	$	898.60
m Zweig Int'l Ltd S/S	$	13093.00

For investment information read THE MONEY REPORT every Saturday in the IHT

A$ - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; p-pence; Ptas - Pesetas; SG$ - Singapore Dollars; SF - Swiss Francs; Y - Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; -@ Offer Price incl. 3% prelim. charge; = - Paris exchange; ++ - Amsterdam exchange; e - misquoted earlier; x - not registered with regulatory authority

For information on how to have your fund listed, fax Simon OSBORN on (33-1) 46 37 52 12.

SPORTS

The Dope on East Germany

By Marc Fisher
Washington Post Service

BERLIN — Communist East Germany fed steroids to virtually all its Olympic track and field stars throughout the 1980s, according to confidential government documents.

The list of East German athletes enrolled in a long-term, state-sponsored steroids program includes seven Olympic gold medalists and several athletes still competing for the reunited Germany.

While evidence of the official East German doping program has been seeping out for more than a year, Germany has been rocked by new revelations of medical abuses, including the harvesting of organs for transplant from living patients, the castration of mental patients and the delivery of confidential medical information to the secret police.

Reams of documents in which East German sports physicians detailed how different drugs and dosages improved performance reveal a carefully developed program designed to boost the country's medal count while hiding the illegal use of drugs.

"The government took control of the bodies of children as if they were its personal property," said Werner Franke, a Heidelberg biologist who found many of the doping documents at an East German military academy. Medical analyses of the doping program show that East German athletes suffered side effects that include facial and body hair and deeper voices among the women, liver damage and a strong likelihood of heart damage.

Among the athletes who took steroids are four gold medal winners at the 1988 Olympics in Seoul: discus throwers Jürgen Schult and Martina Hellmann, javelin thrower Petra Felke and shot-putter Ulf Timmermann. The records show that sprinter and long-jumper Heike Drechsler, who represented united Germany at the recent World Track and Field Championships in Tokyo, achieved her 1984 world record jump of 7.29 meters with the help of the anabolic steroid Oral-Turinabol.

The sports doping revelations — accompanied by new prosecutorial investigations into assault charges against eastern doctors who administered the drugs — come as united Germany uncovers more horrifying evidence of abuses by East German medicine.

Charite hospital, East Berlin's most prestigious medical facility, allegedly removed organs from living patients to be able to provide transplants to keep Communist party officials alive.

Already, 18 doctors at the hospital have been fired for passing confidential information on patients to the Stasi secret police, and two more senior physicians are under investigation for allegedly helping the Communist government build better athletes by injecting male hormones into young girls.

The latest evidence of East German sports doping comes in part from a previously secret doctoral dissertation by a sports physician involved in the steroids program. The paper details how young athletes were given steroids by trainers without knowing what they were ingesting.

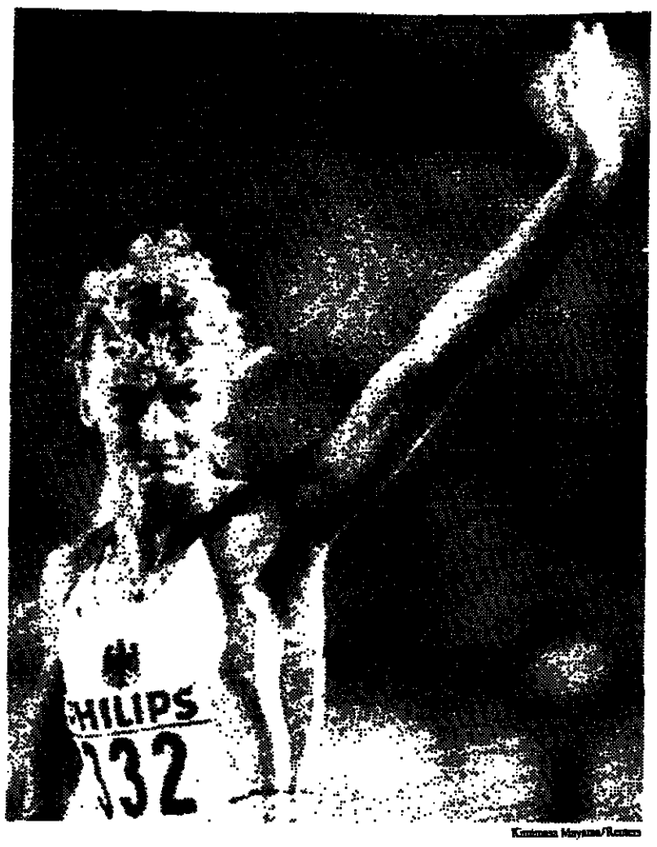
"They just were told to take one blue one, one yellow one and so forth," Franke said. He said athletes were forbidden to talk to their parents about the drugs they were given or to consult outside doctors for any medical problem.

The documents show East Germany used steroids to improve performances by sprinters, hurdlers, decatheletes and specialists in virtually every Olympic track and field event. The athletes were given drugs for years, often beginning when they were 14 years old. Girls were fed androgenic steroids to boost their performance in swimming and track.

The East Germans, who maintained two vast sports medicine facilities, also used a compound called "STS-646," a substance West German experts say was Mestanolon, a steroid hormone four times stronger than the male sex hormone testosterone.

Charts showing the dosages administered to each athlete reveal that some East German women were given twice the annual steroid dosage that Canadian sprinter Ben Johnson used.

East German physicians knew that the steroids were causing severe side effects, the records show. Sprinter Kerstin Behrendt's liver was damaged by two steroids, but sports officials continued to dope her because she was an irreplaceable member of the 400-meter relay team that won a silver medal in the 1988 Games.



Heike Drechsler, after placing second in the long jump in Tokyo on Aug. 25. The records show she achieved her 1984 world record jump of 7.29 meters with the help of the anabolic steroid Oral-Turinabol.
Kimimasa Mayama/Reuters

"Continuing the doping in full knowledge of the side effects is a violation of all medical ethics," said Brigitte Berendonk, a former East German discus thrower who emigrated to the West and launched a crusade against doping.

She is the wife of Franke, who has brought criminal assault charges against three East German doctors who conducted doping research and experiments.

"Performance sport was used to hide the inner weakness of the system," said Dr. Hans-Henning Lathan, who formerly worked at the German High School for Physical Culture in Leipzig, a center of sports doping.

Because scientists did not know which drugs worked best for each sport and which could most efficiently be hidden from Olympic and other international drug tests, they conducted long-term experiments on the children who lived in East Germany's sports camps.

Hundreds of East German children as young as 6 years old lived far from their parents in government training centers where they were groomed for eventual international competition. The children were chosen for body types considered promising by coaches and sports scientists, according to former directors of East German sports centers.

"It was true body engineering," Franke said. Elite athletes used steroids year round, following carefully designed protocols with "dope weeks" and "off weeks" proven to maximize the impact of the drugs.

East Germany always tested its athletes' urine before allowing them to leave the country for competitions. Anyone who failed a test was barred from leaving; some were even removed from airplanes at the last moment.

As testing methods improved, East German doctors developed a technique known as "bridging," in which athletes stopped taking steroids several weeks before a major event and replaced the drug with injections of testosterone, which was quickly excreted and therefore harder to detect.

The doping program even went identified youngsters who could not metabolize steroids. Those athletes were removed from the elite training program.

Franke contends that Western German athletic officials may be seeking to capitalize on the East German doping experience. Among the many sports and scientific institutions in the former East Germany, only three were singled out for preservation in the German unification treaty — the three centers of doping research in Berlin, Leipzig and Kreischa.

The German Track and Field Association strongly denied any intention to continue any of the East's shady practices and affirmed that it has adopted the most stringent testing program in the world.

The association, which has fielded teams composed largely of Eastern athletes in recent competitions, said that none of its athletes has admitted to using steroids. The association said it has used state-of-the-art steroids tests on all athletes from East and West.

But a spokesman, Jan Kern, said it is obvious that some athletes did use steroids earlier in their careers. "The steady improvement in world records, especially in the throwing disciplines, probably would not have been possible" without the drugs, he said.

Although some athletes have contended that they knew nothing about the drugs they were taking, Franke has obtained a letter from 1980 gold medalist Marita Koch to the chief of the state-owned pharmaceutical company that supplied her with steroids.

In the letter, Koch complained that a teammate, Bärbel Wöckel-Eckert, was getting larger doses than she because Wöckel-Eckert had a relative at the drug firm.

Special correspondent Steven Dickman in Munich contributed to the writing and reporting of this article.

Book Names Athletes and Trainers

The Associated Press

BERLIN — A book to be published next week reports that researchers have identified 261 former East German athletes who were administered performance-enhancing and dangerous hormones by trainers, some of whom are still active.

The allegations in the book, written by Brigitte Berendonk in collaboration with her husband, Werner Franke, and reported in the news weekly Der Spiegel, may intensify pressure to oust the trainers.

Spiegel's report named Bernd Schubert as one of the former East German trainers. Now one of the coaches for united Germany's track team, he reportedly saw to it personally that long jumper Lutz Dombrowski, winner of the 1980 Olympic gold medal, took muscle-building steroids.

When German sports federations imposed strict anti-doping controls early this year to remove the suspicion of scandal that East German athletes brought to the united country's sports teams, athletes were given an amnesty for the use of illegal drugs prior to 1991.

But coaches and trainers received no amnesty.

"The government will promote only drug-free sports," said Erich Schaible, head of the Interior Ministry sports department. "Trainers involved in doping cases must figure on dismissal."

Spiegel said Schubert had long been under suspicion of involvement in doping but always denied it.

The federation and the overall national sports bodies will have meetings later this year on how to deal with the latest round of revelations and implicated trainers, Spiegel said.

He said many trainers are on contracts with clauses providing for dismissal in doping cases.

Soviet Men Easily Remain World Gymnastic Champs

The Associated Press

INDIANAPOLIS — The Soviet Union's men's gymnastics team has routed the field of international challengers to win its fourth straight world championship.

The Soviets took the team gold with a score of 584.425 points Tuesday night, China finishing a distant second with 577.050 points. Germany, competing in the championships as a united country for the first time since 1954, was third with 576.125.

Japan was fourth with 574.925 and the United States fifth with 569.725.

The remaining order of the top 12 teams that qualified for next year's Olympics in Barcelona was: South Korea, Italy, Hungary, Romania, Bulgaria, Switzerland and Britain. France missed by .10 points of sending a team to Barcelona.

The Soviet Union had the top four scorers, with Vitali Scherbo leading the way with 117.175 in the combined scoring for compulsories. Grigori Misutin was second, Valeri Liukin third and defending world champion Igor Korobchinsky fourth.

The Soviets, who went into the optionals with nearly a four-point lead over Germany, coasted home despite a less than solid outing from Korobchinsky on the pommel horse, where he had to stop and restart his routine.

Germany's duo of Sylvio Kroll and Andreas Wecker finished fifth and sixth.

SIDELINES

U.S. Changes Cup Doubles Team

NEW YORK (Reuters) — The undefeated U.S. Davis Cup doubles team of Rick Leach and Jim Pugh have been replaced by Scott Davis and David Pate for the semifinal match against Germany this month, The U.S. Tennis Association announced.

Davis and Pate, Australian Open champions and runners-up at the U.S. Open, join U.S. Open singles finalist Jim Courier and Andre Agassi on the team that will play Germany on red clay in Kansas City, Missouri, starting Sept. 20.

Games Picked for McDonald's Open

NEW YORK (AP) — The Los Angeles Lakers will play Limoges CSP of France and European champion Slobodna Dalmacija Split will play Spanish champion Montigala Joventut Badalona on opening night of the McDonald's Open on Oct. 18 in Paris, the NBA announced jointly with the International Basketball Federation.

The winners and losers meet Saturday, Oct. 19, in the annual tournament that features one NBA team and three top international clubs.

EC Approves Sale of Sports Network

BRUSSELS (AFP) — The European Commission said Wednesday that it had approved the acquisition of the major part of the W.H. Smith Group's television interests by ESPN Inc., Ste. Générale d'Images SA and Canal Plus SA

In particular, the three will acquire the European Sports Network, formerly called Screensport, that includes the television channels TV Sport, Sportkanal and Sportnet.

For the Record

Jurgen Sommer, a goalkeeper for the U.S. World Cup team, has signed with the English first division soccer club Luton Town. *(AFP)*

Italy has suspended all weightlifting competition because six contestants tested positive for bulk-increasing drugs at a national meet last month, a senior official said. *(Reuters)*

BOOKS

A SOUTHERN BELLE PRIMER: Or, Why Princess Margaret Will Never Be a Kappa Kappa Gamma

By Maryln Schwartz. 134 pages. Paperback, $10. 666 Fifth Avenue, New York, N. Y. 10103.

Reviewed by Jonathan Yardley

LET'S get the answer out of the way with no further ado. The reason Princess Margaret will never be a Kappa Kappa Gamma, according to Maryln Schwartz, is that when she visited Dallas in 1985 (a) she was an hour late whereas "the Southern royalty all arrived on time"; (b) "she arrived wearing pink chiffon in the middle of the afternoon"; and (c) she "began walking around the room puffing on a cigarette" whereas "any good Southern belle knows that walking around with a lighted cigarette is a no-no."

In a word, what Princess Margaret was was tacky, and if there is any single thing a Southern belle detests, it is tacky. To be sure, Schwartz gets in over her head when she tries to define tacky — the best she can come up with is that old Southern belle refrain, "It's just too tacky to talk about" — but surely she knows deep in her heart that the definition of tacky is simple: It's the opposite of quality.

To wit, Rule 6 of "A Southern Belle's Ten Golden Rules": "Never marry a man whose mother and grandmother owned silver plate instead of real silver. He's not used to quality and he'll try to cheat you on the divorce settlement." That's tacky. So is baton twirling: "Never show your bosom before evening and never wear an ankle bracelet before anything. Girls who wear ankle bracelets usually end up twirling batons. There has never been a baton twirler who became Miss America and there's certainly never been a baton twirler in Junior League."

Speaking of bosoms and silver, here with a South Carolina woman's advice to her granddaughter: "My dear, this is something you must always remember. Your bosom can be fake. Your smile can be fake and your hair color can be fake. But your pearls and your silver must always be real." There may be nothing phonier on earth than a Southern belle's smile, particularly if it's directed toward someone who's merely cute or sweet or, heaven forfend, nice, as in, "Well, I don't know her well, but she seems perfectly nice"; but put that same belle in a department store and she'll head for the heaviest, most expensive silver pattern as surely as a Patriot homing in on a Scud.

So there you have a few of the ways to spot a Southern belle: She knows quality from tacky and real from fake, and the sunnier her smile the more likely there's pure poison behind it. But in case you're still at sea, here are a few other "telltale signs": "Even if she's 90, she calls her father 'Daddy' "; "she drinks iced tea in the middle of a blizzard"; "she has a deviled egg plate."

This last is important, because in substantial measure food defines the Southern belle: not haute cuisine, but iced tea and deviled eggs and tomato aspic and chicken salad and pineapple upside down cake. Not to mention the four casseroles that, taken together, contain virtually all the Major Food Groups of the Southern belle: "Green bean casserole with cream of mushroom soup, Velveeta and canned fried onion rings"; "grits casserole with grits, butter, eggs and garlic Velveeta"; "chicken casserole with rice, cream of chicken soup and Velveeta"; "broccoli casserole with broccoli, rice, cream of mushroom soup and Velveeta."

Okay, just one more quotation from "A Southern Belle Primer," which, by the way, is solid quality, not an ounce of tacky in it, not to mention very smart and exceedingly funny. Marlyn Schwartz tells about a Southern belle who attended the Georgia-Florida football game with a group of visiting dignitaries from Eastern Europe. From their seats nearby some younger Southern belles began flirting with the visitors — "You know how Southern belles flirt. They just went on and on" — until finally the woman told them, "You are going to have to talk slower. These men are from Bulgaria."

The belles didn't miss a beat. "Well, how do you do," one of them said. "We're from Valdosta."

Jonathan Yardley is on the staff of The Washington Post.

BRIDGE

By Alan Truscott

ON the diagramed deal North-South were the only pair to push aggressively to six spades. The opening heart lead was the worst for South, and she was forced to play low from the dummy. It was a relief when the queen won, but the trump suit represented a difficult problem.

After entering dummy with a heart lead to the ace, one obvious play is to lead low to the king, winning when East began with A-9, A-2, A-9-2 or singleton queen. (All plays win if East has doubleton A-Q so that can be ignored.) A slightly better plan is to lead low to the ten, winning when East has Q-9, Q-2, A-Q-9, A-Q-2 or singleton queen.

But South chose a third plan, which is the right choice in practical play: She led spade jack and finessed, losing to the ace. It was then a simple matter to repeat the finesse against the queen and make the slam.

In theory South could have a problem if East covered with the spade queen, but an expert is unlikely to cover.

Notice that the jack play always wins when East began with A-Q-9, A-Q-2, A-Q-9-2, Q-9, and is likely to win against Q-2 and Q-9-2. East will rarely cover and thereby force a guess on the next round.

	NORTH	
	♠ J 7 6 3	
	♡ A 4 3	
	◇ 8	
	♣ A Q J 10 3	
WEST		EAST
♠ A		♠ Q 9 2
♡ K 10 9 7 5		♡ J 8 6
◇ J 9 5 3		◇ Q 10 7 4 2
♣ 9 7 2		♣ 8 4
	SOUTH (D)	
	♠ K 10 8 5 4	
	♡ Q 2	
	◇ A K 6	
	♣ K 6 5	

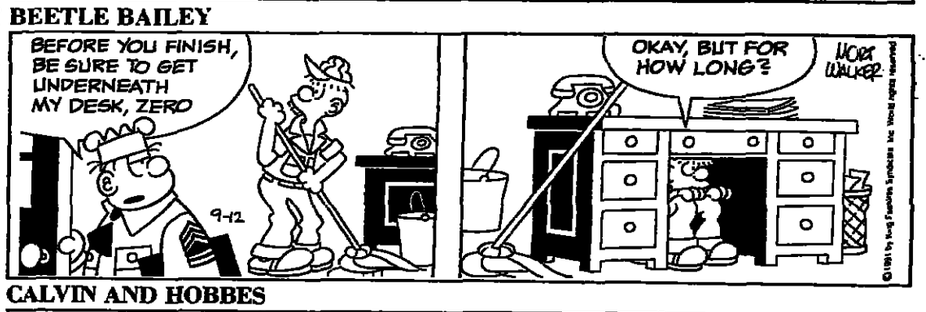
Neither side was vulnerable. The bidding:

South	West	North	East
1 ♠	Pass	2 ♣	Pass
3 ♣	Pass	3 ♠	Pass
4 ◇	Pass	4 ♡	Pass
4 ♠	Pass	6 ♠	Pass
Pass	Pass		

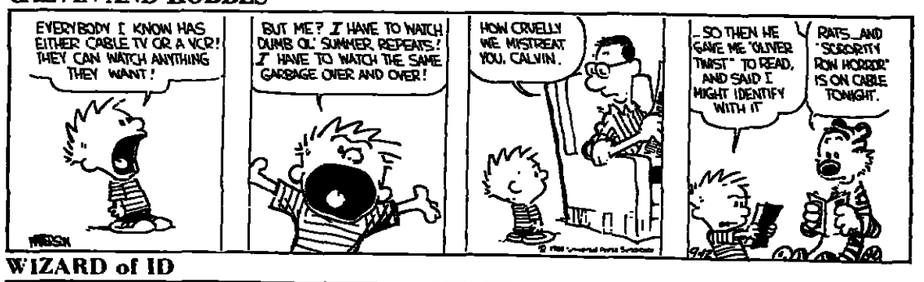
West led the heart 10.

PEANUTS

BEETLE BAILEY



CALVIN AND HOBBES

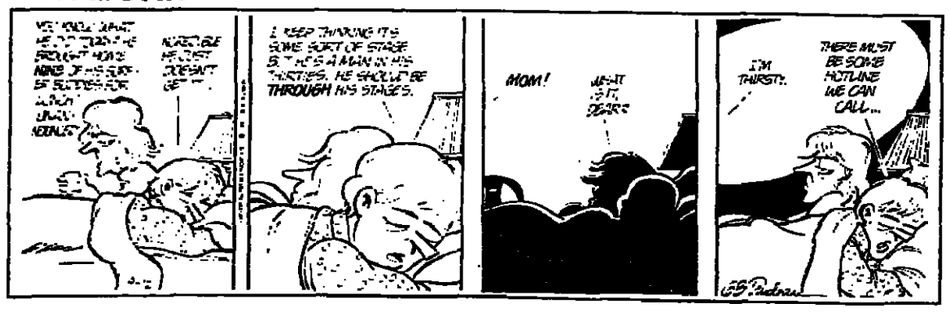


WIZARD of ID

REX MORGAN

GARFIELD

DOONESBURY



DENNIS THE MENACE

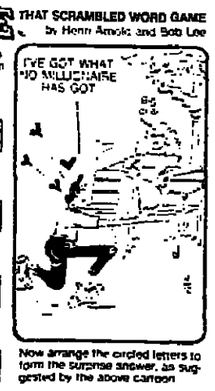
"ROLL AROUND IN THE DIRT OR SOMETHIN' YOU'RE MAKIN' ME LOOK BAD."

JUMBLE

THAT SCRAMBLED WORD GAME
by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

NOWDY
YONOL
IMDOYF
TREENI



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon

Print answer here: " " (Answers tomorrow)

Yesterday's Jumbles: DOUSE IMPEL MENACE SIPHON
Answer: A good politician sometimes speaks his mind, but he's better off when he does this— MINDS HIS SPEECH

BLONDIE

SPORTS

Judge Sets Jan. 27 Date for Tyson Trial, Fighter Calls Rape Charge 'Ridiculous'

The Associated Press

INDIANAPOLIS — Mike Tyson appeared in court Wednesday and was released on bail after a trial date was set on charges that he raped an 18-year-old beauty pageant contestant.

The judge entered an innocent plea on his behalf and set Jan. 27 as the date for the trial.

Afterward, Tyson called the allegations against him "totally ridiculous.

"I didn't hurt no one," the 25-year-old former heavyweight champion said at a news conference. "I'm extremely worried about the situation, but I know I'm innocent."

During proceeding that lasted less than 10 minutes, Marion Superior Court Judge Patricia J. Gifford read Tyson the charges of rape, criminal deviate conduct and confinement against him.

"The court enters a preliminary plea of not guilty," she said, adding that the plea would become final in 20 days unless Tyson changed it.

Tyson was fingerprinted and booked at the county jail before posting $30,000 bail. He left the City-County Building to return to his hotel less than an hour after he arrived.

Tyson said he still planned to fight champion Evander Holyfield on Nov. 8 in Las Vegas.

"Why shouldn't I be able to fight? This is the way I make my living," he said. "The fight comes first. After the fight, I can take care of this."

He faces as many as 63 years in prison if convicted of all charges in the alleged assault July 19 on a Miss Black America contestant in his hotel room. He was indicted Monday by a Marion County special grand jury.

Prosecutors said Tyson forced himself on the woman after she rejected his advances. He has claimed she consented. Tyson was in Indianapolis at the time to make promotional appearances for the Indiana Black Expo and the pageant.

In addition to setting the trial date, Gifford set a hearing Friday on a request by a defense attorney, James Voyles, for a gag order on lawyers and police to ensure Tyson gets a fair trial. Tyson does not need to be present at that hearing.

Tyson sat impassively with his hands folded in front of him during his appearance before Gifford. The only time he was required to respond was when Gifford asked him his birthday. He stood and said, "6-30-1966."

Waiting for Tyson outside the City-County Building, 16 representatives of the crimefighting group Guardian Angels chanted and carried signs that said, "Justice before greed," "Do the right thing" and "Postpone the bout."

At the airport, Tyson said the case "has dramatically affected my life" but added that "I'm not dwelling on it." He said he will resume training as soon as possible for his Nov. 8 title fight with heavyweight champion Evander Holyfield.

Tyson is guaranteed $15 million for the fight in Las Vegas.

Luther Mack, vice chairman of the Nevada State Athletic Commission, said Monday the panel would take up the issue of Tyson's boxing license, which can be revoked for an arrest involving "moral turpitude." But on Tuesday, Mack said he now agrees with the commission's chairman, James Nave, that Tyson's license is not in jeopardy.

"Right now there's not sufficient information for us to act upon," said Mack, a Reno businessman. "We should wait until there's more evidence."

Chuck Minker, executive director of the commission, said Nave "believes you are innocent until proven guilty. You don't lose your rights until convicted."

The World Boxing Council said Tuesday it is "ratifying" the fight.

"As regards the charges against Mike Tyson, the WBC considers him innocent until he is shown to be otherwise. The WBC has full confidence in the U.S. system of justice and also in Mike Tyson's innocence," the WBC said in a statement.

Tyson, who had a criminal record as a juvenile, has been accused of assaulting several people outside the ring since 1987, when he became champion. He paid $105,000 that year to settle an assault case.

The present charge is the most serious in a string of allegations that he mistreats women.

His former wife, actress Robin Givens, accused Tyson of terrorizing her; they were divorced in 1989. Last year, a New York awarded $100 to a woman who claimed Tyson grabbed her breasts and behind at a disco.

Last month, Rosie Jones, Miss Black America 1990, sued Tyson for $100 million, claiming he fondled her during the 1991 pageant.

The pageant's owner filed a $21 million lawsuit, claiming Tyson is a "serial buttocks fondler" who molested 10 of 23 contestants at the this year's pageant.

An attorney for the alleged rape victim said the indictment vindicated her.

"Now that the grand jury has spoken, perhaps there will be some public support for her," Edward L. Gerstein said. "You had a courageous young girl who went up against a multimillion-dollar cottage industry.

"She has stood virtually alone in her quest. There has been no public outcry."

Chuck Robinson/The Associated Press

A man seeking an autograph got a bodyguard's glare at the airport as Mike Tyson arrived from Las Vegas. Tyson then signed the paper.

Tracy Baker/Agence France-Presse

Clemens took a perfect game into the seventh inning in Detroit, and Boston won its seventh straight.

Braves Win to Move Back Atop NL West, Clemens Throttles Tigers With 2-Hitter

Red Sox Now 4 Games Behind Jays

The Associated Press

It was the Roger Clemens every American League batter sees in his worst nightmare.

High heat. Overpowering. Unbeatable.

And nearly perfect on this late summer evening.

Clemens took a perfect game into the seventh inning Tuesday night in Detroit and finished with a two-hitter as the Red Sox beat the Tigers, 4-0, for their season-high seventh straight victory.

The victory put the surging Red Sox just four games behind Toronto in the AL East as the Blue Jays lost, 5-4, to Seattle.

The Red Sox scored three runs in the first, all on Ellis Burks' double.

Clemens lost both his perfect game and no-hit bid with one out in the seventh. He walked Lou Whitaker on a 3-1 count and Alan Trammell, the next batter, lined a 1-1 pitch to left field for a clean single.

"You can't be disappointed at that time," Clemens said. "I mean, you look up and there's Cecil Fielder standing there. One swing and he could have made it a one-run ballgame."

But Clemens struck out Fielder and got Mickey Tettleton on a grounder to first to end the inning.

Milt Cuyler led off the ninth with a single, but was erased when Tony Phillips hit into a double play. So Clemens faced only the minimum six batters in the final two innings — and just 29 for the game.

Clemens struck out Rob Deer in on a 1-2 count in the third inning, giving him 200 strikeouts or more for the sixth consecutive year. He has 204 for the season.

The last time the Red Sox won seven straight was Aug. 24 to Sept. 2, 1990, when they had a 10-game streak. They have gone 28-12 since July 30 to move from fourth place, 10 games out, to second place.

Third-place Detroit, which has lost nine of 12, remained six games behind the Blue Jays.

Mariners 5, Blue Jays 4: Seattle snapped a 13-game road losing streak as Harold Reynolds broke an eighth-inning tie with a run-scoring double to beat Toronto.

The Mariners turned their club's seventh triple play to get out of a first and second jam in the fifth.

Twins 7, Royals 2: Pedro Munoz hit a two-run homer in Kansas City and Allan Anderson and four relievers combined on an eight-hitter as Minnesota rolled to its fifth straight victory.

Anderson held the Royals to three hits for five innings in a game delayed 43 minutes in the fourth inning by rain. Mark Guthrie, Terry Leach, Steve Bedrosian and Rick Aguilera finished. Aguilera escaped a bases-loaded jam in the ninth for his 39th saver.

White Sox 3, Athletics 1: In Oakland, pinch-hitter Warren Newson's two-out, two-run double in the eighth off Dennis Eckersley rallied Chicago.

The blown save was Eckersley's eighth in 47 opportunities. Eckersley is trying to become the first reliever to record 40 saves in three different seasons.

Indians 5, Brewers 2: In Milwaukee, Doug Jones, Cleveland's longtime relief ace, won his first major-league start and Reggie Jefferson hit his first grand slam as the Indians ended a five-game losing streak.

Orioles 6, Yankees 3: Mike Devereaux and Cal Ripken hit consecutive home runs in the third inning off loser Eric Plunk as Baltimore handed visiting New York its fifth straight loss.

Bill Ripken drove in two runs for the Orioles, who won a second straight game for the first time since Aug. 23.

Rangers 6, Angels 1: In Anaheim, California, Julio Franco regained the AL batting lead from Boston's Wade Boggs with three hits as Texas beat California.

Dodgers, Shut Out by Reds, Fall to 2d

The Associated Press

The Atlanta Braves have jumped back into first place in the National League West behind the pitching and hitting of Steve Avery.

Avery, 21, scattered three hits over 8⅔ innings and had three hits and batted in a run Tuesday night in Atlanta as the surging Braves beat the San Francisco Giants, 4-1, for their fifth straight victory.

Atlanta moved half a game ahead of Los Angeles, which lost in Cincinnati, 6-0. The Dodgers go to Atlanta this weekend for a three-game series.

"We're there now," the Braves' manager, Bobby Cox, said in the rather subdued clubhouse, where there was no shouting and yelling, only plenty of smiles. "Now we've got to try to hold it."

The Braves, 9½ games behind Los Angeles at the All-Star break, are 39-20 overall and 23-7 at home. They caught the Dodgers on Aug. 27, were up by two games three days later, only to fall to second six days ago.

Avery, although running his record to 15-8, beat the Giants for the first time in his brief career. The left-hander was 0-2 this season with a 12.79 earned-run average before the victory, and 0-3 in his career.

Alejandro Pena relieved with two runners on base and retired Kevin Mitchell on a grounder to the mound for his seventh save, and the third since being traded from the New York Mets to the Braves.

Avery, who went 4-for-4 earlier this season against the Mets, got three more hits. His single in the eighth inning gave him his first RBI in 92 at-bats in the majors.

Terry Pendleton hit his 19th homer as the Braves sent John Burkett to his fifth straight loss. The Giants have dropped eight of nine.

Lonnie Smith led off the Atlanta first with a walk and David Justice drew a two-out walk before Ron Gant singled for a 1-0 lead.

The Braves scored again in the third when Jeff Treadway was hit by a pitch, went to third on Pendleton's single and scored on a single by Justice, his ninth RBI in his last four games.

Reds 6, Dodgers 0: Jose Rijo pitched six strong innings in Cincinnati and Reds ended Los Angeles' three-game winning streak.

The Reds rocked Ramon Martinez for five runs in 3⅓ innings. The Dodgers had moved him up a day so he can pitch in Atlanta; going on three days' rest for the first time this season, he ended up with his second-shortest start of the season.

AMERICAN LEAGUE

NATIONAL LEAGUE

Rijo allowed just two hits and won his fifth consecutive start. He is 8-0 in 13 starts at Riverfront Stadium this year. Ted Power finished for his third save.

Mets 9, Expos 0: Pete Schourek retired the first 14 batters and finished with a one-hitter in New York as the Mets snapped a five-game losing streak by beating Montreal.

Schourek, making his fourth start, allowed only a single by Kenny Williams with two outs in the fifth. He struck out seven and walked five. Howard Johnson and Mackey Sasser each hit three-run homers. Johnson leads the league with 33 home runs.

Cubs 6, Pirates 2: Ryne Sandberg hit a two-run homer in the first inning and Rick Sutcliffe made it stand up, pitching the Cubs past Pittsburgh in Chicago..

Phillies 5, Cardinals 2: Tommy Greene shut down St. Louis with relief help from Mitch Williams as the Philadelphia Phillies beat the St. Louis Cardinals in St. Louis. Philadelphia scored twice in the second when Charlie Hayes, Steve Lake and Greene each doubled.

Padres 7, Astros 6: Tim Teufel hit a three-run homer, and Benito Santiago had a two-run single, leading the San Diego Padres over the Astros in Houston and extending their winning streak to seven games, their longest since 1987.

Blue Collar Twins Working With Success

By Jack Curry
New York Times Service

MINNEAPOLIS — If the Twins showed up at the Metrodome with lunchpails, no one would question them.

In fact, it is amazing that the best team in the American League has not done that yet, because it would fit the players' style.

Four hours before a recent game against the New York Yankees, there were Twins running sprints, fielding grounders and taking batting practice. Twins and more Twins scattered throughout every nook and cranny of the Metrodome.

They were not playing cards, watching television or chomping on a pregame buffet in the clubhouse. They worked feverishly, while their opponents had not even arrived. Revealing? Very. This team comes to play and to win.

"With the kind of people we have here, you look forward to leaving your house or apartment and coming to the park," said Rick Aguilera, the ace of the bullpen and one of the team's four Cy Young Award candidates. "We sincerely enjoy each other's company. You don't find that on too many teams."

Then again, you won't find too many teams like this crop of Twins. How many clubs have ever blasted from last place to first in one season? None.

But Minnesota is ready to sweep from worst to first in just one swift switch of the calendar. They have held first in the American League West for the last 64 days and lead the Chicago White Sox by 8½ games with 23 left. At 85-54, they own their best record in 21 years and are 22 games ahead of last year's pace. How did they do it?

"The pitching has been terrific and we have made the plays we need to make," said the manager, Tom Kelly.

Could it be that simple? Great pitchers and great gloves? Sure could.

Scott Erickson, Jack Morris and Kevin Tapani have won 48 games and the stellar bullpen has saved 49 games. The defense is third best in the league and Kelly neglected to mention a potent offense that leads the majors with a batting average hovering at about .284.

"They play the game the way it is supposed to be played," said Stump Merrill, New York's manager. "They have fun and they work at it. They can do some things."

The Yankees found out just how arduous it is to beat Tapani, Morris and Erickson last weekend. The results were frightening: 8 runs in three losses.

"Players have a great feeling when they see that Tapani, Morris or Erickson is pitching because they know they have a shot to win," Kelly said. "That's very important."

Minnesota can thank the other New York club for helping its pennant chase. The Mets traded Tapani, Aguilera, David West and two minor leaguers to the Twins for Frank Viola two years ago.

The Mets wanted to win the 1989 pennant, but did not. Now the trade looks like a rout for the Twins because Tapani and Aguilera are helping them pursue their second World Series title in five seasons and Viola, two games below .500, might not be with the Mets next year.

"When it happened, it gave me the opportunity to pitch," Tapani said. "I was able to be on a team that needed me."

Same for Aguilera. He was a long reliever or occasional starter for the Mets, depending on how bad he had pitched in his previous game. Now, if he botches a lead, Kelly has him out there the next night. He leads the majors with 39 saves in 47 chances.

"If you look at the trade now, I don't think you would find anyone who said the Mets got the better of it," Aguilera said. "I don't think we would have been given an opportunity if we stayed there."

Another reason the Twins have changed from sorry losers to overnight winners is because of their general manager, Andy MacPhail. He severely altered the roster of last season's 74-88 team and filled the gaps where help was needed. Every move has worked.

He signed free agents Chili Davis, Jack Morris, Mike Pagliarulo and Carl Willis, gave minor leaguers Scott Leius and Chuck Knoblauch chances to make the club and traded for Steve Bedrosian.

Morris is 16-10 and has been a positive influence on the staff. Davis has 27 homers and is likely to bat in 100 runs this year. Pagliarulo is hitting at a .300 clip and Leius just slightly less as a third-base platoon. Bedrosian and Willis have stabilized the bullpen and Knoblauch is batting about .280 and could be the rookie of the year.

"With the players MacPhail got us over the winter, we were not rebuilding," Kelly said. "We had to win."

A pennant race is going on around them, but they do not seem to notice. There are sprints to run, grounders to catch and balls to hit. There is a game in a couple of hours so there is work to do.

"A lot of people doubted us and I think that made us work even harder," said Aguilera, as he explained how the honest work could be fun. Then he added more honesty to his answer.

"Winning," he said, "always keeps people in a good mood."

SCOREBOARD

BASEBALL

Major League Standings

(Through Tuesday's Games)

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Toronto	79	61	.564	—
Boston	74	64	.536	4
Detroit	72	66	.522	6
Milwaukee	65	72	.474	12½
New York	60	77	.438	17½
Baltimore	57	81	.413	21
Cleveland	45	93	.326	33
West Division				
Minnesota	85	54	.612	—
Chicago	77	63	.550	8½
Oakland	74	66	.529	11½
Texas	72	65	.526	12
Kansas City	70	68	.507	14½
California	69	69	.500	15½
Seattle	69	69	.500	15½

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Pittsburgh	82	56	.594	—
St. Louis	72	65	.526	9½
Chicago	69	69	.500	13
New York	66	72	.478	16
Philadelphia	66	72	.478	16
Montreal	59	78	.431	22½
West Division				
Atlanta	76	60	.565	—
Los Angeles	78	61	.561	½
San Diego	71	68	.511	7½
Cincinnati	67	71	.486	11
San Francisco	63	75	.457	15
Houston	57	81	.413	21

Tuesday's Line Scores

AMERICAN LEAGUE

Seattle 000 202 010—5 6 0
Toronto 202 000 000—4 9 0
Holman, Jones (8) and Valle; Stottlemyre, Timlin (8), MacDonald (9) and Myers. W—Holman, 13-13. L—Stottlemyre, 13-7. Sv—Jones (1). HRs—Seattle, Reynolds (3). E. Martinez (13). Toronto, Carter (32).

Boston 300 010 000—4 7 0
Detroit 000 000 000—0 2 0
Clemens and Pena; Tanana, Gakeler (9) and Tettleton. W—Clemens, 15-8. L—Tanana, 11-16.

Cleveland 000 005 000—5 7 2
Milwaukee 000 000 002—2 5 1
Jones, Olin (9) and Skinner; Wegman, Nunez (9) and Surhoff. W—Jones, 2-7. L—Wegman, 11-7. Sv—Olin (18). HR—Cleveland, Jefferson (2).

New York 020 010 000—3 8 1
Baltimore 102 210 00x—6 9 2
Plunk, Monteleone (4), Cadaret (7), Farr (7) and Geren, Nokes (5); Rhodes, Williamson (5), Frohwirth (5) and Holles. W—Frohwirth, 4-3. L—Plunk, 2-4. HRs—Baltimore, Devereaux (17), C. Ripken (27).

Minnesota 001 102 201—7 12 1
Kansas City 000 000 020—2 8 1
Anderson, Guthrie (6), Leach (6), Bedrosian (8), Aguilera (9) and Harper; Gubicza, S. Davis (6), Magnante (8), Corbin (9) and Pedre. Stahr (7), Mayne (9). W—Anderson, 5-8. L—Gubicza, 8-9. Sv—Aguilera (39). HR—Minnesota, Munoz (5).

Texas 001 010 020—4 10 0
California 000 010 000—1 6 1
Guzman, Je. Russell (9) and Rodriguez; K. Abbott, Beasley (7), Fetters (9) and Parrish. W—Guzman, 11-5. L—K. Abbott, 0-1. HRs—Texas, Sierra (22), Palmeiro (23).

Chicago 000 000 030—3 7 0
Oakland 000 010 000—1 6 1
Haugh, Drahman (6), Perez (7), Thigpen (9) and Karkovice, Fisk (7); Moore, Honeycutt (8), Eckersley (8), Klink (9) and Quirk. W—Perez, 7-4. L—Honeycutt, 2-4. Sv—Thigpen (29).

NATIONAL LEAGUE

Montreal 000 000 000—0 1 2
New York 003 030 21x—9 11 0
Gardner, Frey (5), Ruskin (6), Platt (7) and Reyes; Schourek and Hundley. W—Schourek, 3-3. L—Gardner, 8-10. HRs—New York, Johnson (33), Sasser (5).

Los Angeles 000 000 000—0 5 1
Cincinnati 012 210 00x—6 9 0
Martinez, Cook (4), Wetteland (5), Christopher (7) and Sciascia; Rijo, Power (7) and Reed. W—Rijo, 13-4. L—Martinez, 14-10. Sv—Power (2). HR—Cincinnati, Duncan (7).

San Francisco 000 010 000—1 3 1
Atlanta 101 010 01x—4 9 1
Burkett, Brantley (8) and Manwaring; Avery, Pena (9) and Olson. W—Avery, 15-8. L—Burkett, 9-10. Sv—Pena (7). HR—Atlanta, Pendleton (19).

Pittsburgh 000 001 010—2 6 2
Chicago 202 010 01x—6 13 0
Tomlin, Heaton (5), B.Landrum (7) and LaValliere; Sutcliffe, Assenmacher (8), Scanlan (8) and Villanueva. W—Sutcliffe, 5-4. L—Tomlin, 8-5. Sv—Scanlan (11). HR—Chicago, Sandberg (24), Walton (5).

Philadelphia 020 030 000—5 12 0
St. Louis 000 100 001—2 6 1
Greene, Williams (9) and Lake; Cormier, Fraser (7), Terry (9) and Pagnozzi. W—Greene, 10-7. L—Cormier, 2-3. Sv—Williams (26).

San Diego 002 010 100—7 8 1
Houston 100 120 020—6 12 1
Rasmussen, Maddux (6), Andersen (7), Melendez (8), Rodriguez (8), Lewis (8), Lefferts (9) and Santiago; Gardner, Mallicoat (6), Hernandez (7), Schilling (9) and Eusebio. Biagio (9). W—Rasmussen, 6-11. L—Gardner, 0-1. Sv—Lefferts (21). HRs—San Diego, Teufel (11), McGriff (27).

Japanese Baseball

Central League

	W	L	T	Pct.	GB
Hiroshima	59	43	1	.578	—
Chunichi	61	47	1	.565	1
Yakult	58	51	1	.532	4½
Yomiuri	61	56	0	.521	5½
Taiyo	50	61	1	.450	13½
Hanshin	38	69	0	.355	23½

Wednesday's Games
Hiroshima 5, Chunichi 3
Hanshin 4, Yomiuri 0
Yakult 7, Taiyo 6

Pacific League

	W	L	T	Pct.	GB
Seibu	68	38	5	.642	—
Kintetsu	78	43	2	.619	1½
Orix	56	56	3	.500	15
Nippon Ham	48	59	4	.449	20½
Daiei	47	60	3	.439	21½
Lotte	37	78	3	.346	31½

Wednesday's Games
Seibu 1, Nippon Ham 1, 12 innings
Kintetsu 2, Orix 0, 10 innings
Lotte 4, Daiei 0

TRANSACTIONS

BASEBALL

American League

CLEVELAND—Put Chris James, outfielder, on 60-day disabled list. Bought contract of Wayne Kirby, outfielder, from Colorado Springs, Pacific Coast League.

National League

ATLANTA—Sent Joe Roa, pitcher, to N.Y. Mets to complete Aug. 29 trade for Alejandro Pena, pitcher.

CINCINNATI—Recalled Gino Minutelli, pitcher, from Nashville, American Association.

HOUSTON—Bought contract of Chris Gardner, pitcher, from Tucson, PCL.

LOS ANGELES—Acquired Steve Wilson, pitcher, on waivers from Chicago Cubs. Sent Jeff Hartsock, pitcher, to Cubs. Designated Butch Davis, outfielder, for assignment.

MONTREAL—Recalled Nelson Santovenia, catcher, from Indianapolis, AA. Bought contracts of Kenny Williams and John Vanderwal, outfielders, from Indianapolis.

NEW YORK—Recalled Blaine Beatty, pitcher, from Tidewater, International League.

ST. LOUIS—Recalled Tim Jones, infielder, from Louisville, AA.

BASKETBALL

National Basketball Association

BOSTON—Named Rick Weitzman head scout; Parday Anderson special assignment scout, and Dennis Johnson scout.

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ART BUCHWALD

The Lenin Dilemma

WASHINGTON — It was late at night when the phone rang at the White House. Moscow was calling. "Here's our problem," the heavily Russian-accented voice said. "We have no place to put Lenin after we take him out of the tomb."

The White House duty officer responded, "Do you expect me to wake up the president for that?"

Buchwald

"It's his problem as well as ours. Until we find a good resting place for Lenin there will be no peace in the U.S.S.R. We can't leave his body out in Red Square. It could hurt tourism."

"Why don't you bury him in a Russian supermarket? No one will find him there."

□

"Ideologically, he should be in a wall. But he can no longer be treated like a saint. If it wasn't for his dumb ideas, we could have been another West Germany after World War II."

"I understand what you are going through, but I'm not sure why you're calling us."

"We wondered if you had any room in the Rose Garden."

"You want us to bury Lenin in the Rose Garden?!"

"It would be good for tourism. People could come to see Lenin and then stay to take a tour of the White House."

□

"We have a rule that no Communist leaders may be interred on the White House grounds. It's to mollify the right wing of the Republican Party."

"Well, what about Disneyland?"

"Certainly not. Disneyland wouldn't take him if you sent over his ashes in a Donald Duck sleeping bag."

"We've thought about cremating him. But if the Communist Party was resurrected, and he had already been cremated, it would be hard to put him back in his tomb."

"Have you considered the possibility of keeping Lenin on ice?"

"Yes, but don't suggest Siberia. They don't want Lenin because so many of them were sent there by Lenin's disciples."

"Why not ask the Chinese if they have a place for him in the Great Wall?"

"They're full up. The wall's only 1,500 miles long."

"I'm running out of ideas. Several months ago we would have taken Lenin, with his tomb, for a float in the Rose Bowl parade. But the interest in him in this country has dropped considerably. I'm not even sure that they would accept him at Forest Lawn Cemetery now that he is no longer a celebrity."

"Well, you haven't helped us. We're going to have to leave him in the tomb until someone comes up with a good idea."

"This may sound slightly offbeat, but why not put him in a space capsule and send him up into orbit? Then he would be gone, but in another way he'd always be with us."

□

"That's not a bad idea," the Russian said.

"Those who loved him could look up to the sky at him, and those who hated him wouldn't have to. Should he be standing up or lying down?"

"Standing up," the White House aide said, "with his finger pointing in the air. If he were lying down, his finger would be pointing at us."

'Alive' Film Set As Joint Venture

New York Times Service

LOS ANGELES — In a rare case of two studios teaming up to make a movie, Walt Disney Co. and Paramount Pictures announced that they would jointly produce a film about a rugby team's battle to survive after a plane crash in the Andes.

The deal signaled a warming of the relationship between Disney and Paramount, which had feuded for years. Some industry executives said it could revive interest in joint ventures as studios try to reduce costs and minimize risks.

The studios said the movie would be based on the 1974 book "Alive," by Piers Paul Read, based on the months-long ordeal in which the survivors resorted to cannibalism. The studios said they would co-finance the movie, but did not disclose details.

Mankiewicz: The Delicate Morality of PR

By Karen de Witt
New York Times Service

WASHINGTON — Frank Mankiewicz was nervous. He played with a pencil on the desk in his glass cubicle office. He took a call from his son in California. He hung up and twirled the pencil like an airplane propeller, round and round on the desktop.

Mankiewicz, the consummate Washington survivor, campaign manager to Robert F. Kennedy and George S. McGovern, now a high-priced rainmaker for America's largest public relations firm, a man whose reputation for ease with the media was legendary, was uncomfortable being interviewed.

He was, he explained, gun shy after last month's testimony at a Senate subcommittee by the former Customs Service commissioner, William Von Raab. Von Raab charged that his agency's investigation of the scandal surrounding the Bank of Credit & Commerce International had been hampered by "the influence peddlers in Washington."

They included, Von Raab said, Hill & Knowlton, the firm whose Washington office is headed by Mankiewicz and Robert F. Gray, who, like Mankiewicz, had a successful political career before entering public relations. Gray toiled in Republican circles for the Eisenhower administration and the 1980 Reagan presidential campaign.

Hill & Knowlton officials did provide guidance to BCCI several years ago when the bank was indicted for money laundering, but the firm denies offering any recent counsel.

"I know people joke with me and say I've sold out, but when we get down to it, I've found my clients defensible," Mankiewicz said. A lawyer by training, Mankiewicz contended that clients had a right to good public relations, just like they had the right to a lawyer.

"I don't have a problem with it," said Mankiewicz, who has the beefy, pleasant look and self-deprecatory mien of a seasoned politician. "I think people are entitled to their day in court. I've not represented a single client that I've been ashamed of."

Mankiewicz, who called Von Raab's allegations "incredibly irresponsible and totally false," declined to talk about BCCI, but later faxed a reporter a copy of a one-paragraph letter sent to him by Von Raab.

The letter stated, "I do not have any information that Mr. Gray or you spoke to or contacted any official in either our federal government's executive or legislative branch on behalf of BCCI."

That is not the enthusiastic exoneration people once expected for a man who began his Washington career in the days when the Kennedy name evoked images of the Peace Corps, not Palm Beach, and who, when he ran unsuccessfully in 1976 for the Democratic nomination for a House seat from Maryland, proudly listed on his résumé that he had been on the Nixon White House enemies list.

Andrea Mohin for The New York Times
Frank Mankiewicz in his Washington office overlooking the Potomac.

As a boy in Los Angeles, Mankiewicz played on Rosebud, the sled from "Citizen Kane"; his father, Herman Mankiewicz, won an Oscar for writing the movie's screenplay. His uncle, Joseph Mankiewicz, was the screenwriter and director of "All About Eve."

But Frank Mankiewicz chose drama on the national stage, coming to Washington, he said, because of the excitement in the air during the Kennedy administration.

Mankiewicz became the head of the Peace Corps in Peru, then its director for Latin America. He was press secretary for Robert Kennedy, and then his presidential campaign manager.

After Robert Kennedy was assassinated, Mankiewicz found work on the Washington circuit as a syndicated columnist, television anchorman, author, political adviser, president of National Public Radio, and now as vice president of Hill & Knowlton's Washington office.

Mankiewicz said he did not think he had abandoned any of his principles in the process. "I think I still believe in the same things," he said. Others disagree.

"He's very witty and charming, and he knows a lot of people in Washington," said Jerry Blizen, a former senior vice president of Hill & Knowlton who left the firm in 1988 and is now retired. "And because his father was a Hollywood screenwriter, he knows damn near everybody in the communications business. But I think he's a guy who has practiced being devious for quite a while now."

Gone are the days when public relations firms were easily identifiable as Democrat or Republican, conservative or liberal; when the cause as well as the cash was the motivating factor behind taking on a client.

Since he joined Hill & Knowlton in 1983, Mankiewicz or the firm has represented Turkey, where the human rights situation is regularly deplored by Amnesty International; the National Conference of Catholic Bishops, in an anti-abortion campaign that caused an uproar among women at the firm, and Clark M. Clifford, the former secretary of defense who recently resigned as chairman of First American Bankshares, a Washington bank linked to BCCI.

"I didn't participate in the Catholic bishops' anti-abortion campaign either, and threatened to resign when we were thinking about taking on the contras," Mankiewicz said. "And we turned down the government of Libya and Chile and some other things."

Asked about projects he is proudest of, Mankiewicz paused a long time and told a reporter to get back to him.

"I like the effort we put out for Ray Donovan when he was on trial in New York," he said when asked again several days later. Raymond J. Donovan, who served as labor secretary in the Reagan administration, was acquitted in 1987 of fraud and larceny charges involving accusations of ties to organized crime. "I thought that was a real miscarriage of justice and obviously a jury agreed with us."

He added, "I like some of the things we did with Turkey."

He was most disappointed, he said, with his failure to control the fallout from disclosures this year that Stanford University overbilled the government on research projects. Among other things, taxpayer money was apparently spent on improvements to the university president's house and flowers and laundry for his home.

Donald Kennedy, the university's president, recently announced he would resign. "I can't avoid the feeling that somehow we let him down," Mankiewicz said. "That's the one I'm unhappiest about."

What he was probably more unhappy about, his friends say, was having to resign as president of National Public Radio.

Mankiewicz, whom many credit with popularizing the public radio network and raising the number of listeners, with programs like "Morning Edition," blamed the recession and a fall-off in corporate contributions for the $3.2 million deficit that threatened to put the network off the air in the early 1980s. Congress and the Corporation for Public Broadcasting blamed him.

Mankiewicz resigned, and a shadow hung over him as a result. It was a big fall in a little group that is fickle about its favorites. "The liberal community did not reach out and embrace him," said Cokie Roberts, congressional correspondent for NPR and another Mankiewicz admirer. "There was a man in need of a friend and a job, and he found one with Robert Gray."

What Mankiewicz keeps coming back to is the past.

"I wanted to be with the group that wrought changes in the world," he said, though he acknowledged that the changes he wrought did not now seem so global. Perhaps, he said, he had altered some college students' lives through one of his speeches. He was for women's rights, he said.

"The longest pleasure and happiness I got was from my time with Robert Kennedy," he said. "I used to say — still do say — that I could win a Nobel Prize and be named chief justice of the Supreme Court and serve two good terms as the president, and they'd write in my obit, Frank Mankiewicz was an aide to Robert Kennedy, and they'd be right. And I'd accept that proudly."

PEOPLE

Navratilova, Ex-Lover Settle Palimony Suit

Martina Navratilova, 34, and her former lover, **Judy Nelson**, 45, have agreed on a financial settlement to their palimony suit, but cannot come to terms on the validity of a cohabitation agreement, the tennis star's publicist said. Nelson sued Navratilova in June, claiming she had reneged on the agreement under which Nelson was to get half of the estimated $5 million to $9 million Navratilova earned during their seven-year relationship. **Linda Dozoretz**, Navratilova's publicist, would not disclose the terms of the tentative financial settlement. Nelson said the lawsuit was about more than money. "It's about Martina honoring a contract."

□

H. Norman Schwarzkopf made it. So did **Ted Turner**. But the disgraced lip-syncing pop stars **Milli Vanilli** didn't make the latest edition of the International Who's Who, nor did **Kitty Kelley**, the sulfurous biographer. "We do try to avoid people who have just done one thing," said the editor, **Richard Fitzwilliams**. But if that one thing is to lead allied troops to victory in the Gulf war, or provide global TV coverage of the war, that makes a difference. Also included was Schwarzkopf's British counterpart, **Sir Peter de la Billière**.

□

Geraldo Rivera winced, blushed and joked his way through a TV appearance as **Phil Donahue**, a rival talk-show host, grilled him about his juicy autobiography, "Exposing Myself," in which he relates torrid tales, including supposed affairs with **Bette Midler**, **Margaret Trudeau** (who denied it) and others. After Donahue read one graphic passage, Rivera apologized, sort of: "I'm afraid I wrote that book in the locker room. I wrote it rough. I'm sorry for that. I'm sorry. It's not that I apologize for the book, but I'm sorry for the women in this book, if I hurt their feelings."

□

Frankie Avalon, 50, wowed fans — and their grandchildren — while shooting a commercial for a fast-food restaurant in Lawrence, Kansas. Avalon, who starred in beach movies of the 1950s and '60s with **Annette Funicello**, signed autographs outside a Sonic Drive-In. "I get some kids who come and say, 'Could I have your autograph for my grandma?' " the actor said.

Today's **INTERNATIONAL RECRUITMENT**

Appears on Page 4

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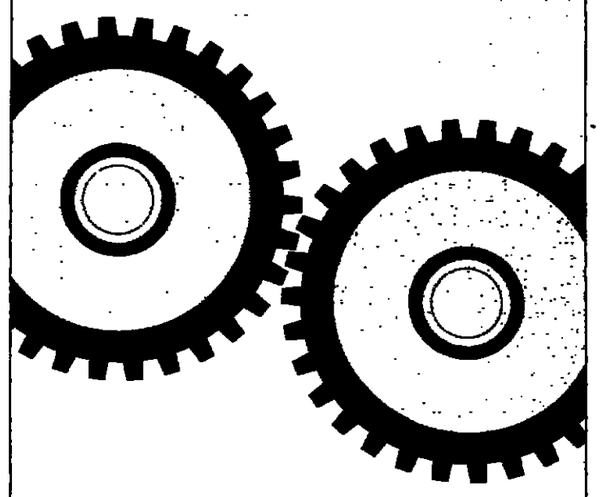

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